

# City of Rochelle, Illinois

## Illinois DCEO Rebuild Illinois Fast Track Public Infrastructure Grant Application



Project No. 20-441

May 22, 2020



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221 East Main Street, Suite 200  
Freeport, Illinois 61032

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Prepared for:  
City of Rochelle  
420 North Sixth Street  
Rochelle, Illinois 61068

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# **Project Information:**

### Fast Track Public Infrastructure Application Submission Checklist

All applications will be screened for completeness. Applicants must complete and submit this checklist with the application. **All pages of the application must be sequentially numbered.** Use the right-hand column, labeled "Page Number" to indicate the page for each item.

<u>PROJECT INFORMATION</u>	<u>PAGE NUMBER</u>
<u>X</u> Completed Submission Checklist (This Page)	<u>3</u>
<u>X</u> Letter of Transmittal from Chief Elected Official or Executive	<u>4</u>
<u>X</u> State of Illinois-DCEO Uniform Grant Application	<u>5</u>
<u>X</u> Project Information	<u>9</u>
<u>X</u> GATA Capital Budget	<u>11</u>
<u>X</u> Engineer's Cost Estimate	<u>33</u>
<u>X</u> Project Location Map	<u>34</u>
<u>X</u> FEMA Issued Floodplain Map	<u>36</u>
<u>X</u> Project Summary	<u>37</u>
<u>X</u> Minority Benefit Statement	<u>40</u>
<u>X</u> Job Creation Documentation	<u>41</u>
<u>X</u> Project Readiness Summary	<u>42</u>
 <u>DOCUMENTATION, CERTIFICATIONS, RESOLUTIONS</u>	
<u>N/A</u> Council Commitment of Funds (if applicable)	<u>N/A</u>
<u>N/A</u> Resident Participation/Public Hearings (if applicable)	<u>N/A</u>
7-day notice	<u>N/A</u>
Certified minutes	<u>N/A</u>
<u>X</u> Local Government Certifications	<u>44</u>
<u>X</u> Mandatory Disclosures	<u>45</u>
<u>X</u> Conflict of Interest Disclosure	<u>46</u>
<u>N/A</u> Intergovernmental Cooperation Agreement, if applicable	<u>N/A</u>
 <u>ATTACHMENTS</u>	
<u>X</u> Current Infrastructure Condition Documentation (if applicable)	<u>49</u>
<u>N/A</u> Firm documentation of commitment from leveraging source(s) (if applicable)	<u>N/A</u>
<u>X</u> Copy of Construction Permit(s)	<u>57</u>
<u>N/A</u> Proof of Land Ownership (if applicable)	<u>N/A</u>
<u>N/A</u> Control of Right of Way/Easements (if applicable)	<u>N/A</u>
<u>N/A</u> Copy of water purchase or wastewater treatment agreement (if applicable)	<u>N/A</u>
<u>N/A</u> Copy of Option to Purchase (if applicable)	<u>N/A</u>
<u>X</u> W-9	<u>65</u>
<u>X</u> SAM Registration (CAGE #) (if applicable)	<u>69</u>
<u>X</u> IRS Certification Letter	<u>74</u>
<u>X</u> Copy of Local Government Audit	<u>75</u>



**LETTER OF TRANSMITTAL**

May 20, 2020

Director's Office  
Illinois Department of Commerce & Economic Opportunity  
500 East Monroe  
Springfield, Illinois 62701

Dear Director Guthrie:

The City of Rochelle is applying for a Fast Track Public Infrastructure grant under the Rebuild Illinois program. The grant request is in the amount of \$3,500,000 to be used for water system improvements including Well rehabilitation, Well House construction, and Tower painting.

I certify that this application meets the eligibility thresholds as outlined in the Notice of Funding Opportunity and Rebuild Illinois Guidebook.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Fiegenschuh".

Jeff Fiegenschuh  
City Manager, City of Rochelle



**Illinois  
Department of Commerce  
& Economic Opportunity**

**Uniform Application for State Grant Assistance**

**Agency Completed Section**

1. Type of Submission  Pre-Application  
 Application  
 Changed / Corrected Application
2. Type of Application  New  
 Continuation (i.e. multiple year grant)  
 Revision (modification to initial application)

3. Date/Time Received By State (Completed by State Agency upon Receipt of Application)

4. Name of Awarding State Agency

5. Catalog of State Financial Assistance (CSFA) Number

6. CSFA Title

Catalog of Federal Domestic Assistance (CFDA)  Not Applicable (No federal funding)

7. CFDA Number

8. CFDA Title

9. CFDA Number

10. CFDA Title

Additional CFDA Number, if required

Additional CFDA Title, if required

**Funding Opportunity Information**

11. Funding Opportunity Number

12. Funding Opportunity Title

Competition Identification  Not Applicable

13. Competition Identification Number

14. Competition Identification Title

**Applicant Completed Section**

**Applicant Information**

15. Legal Name (Name used for DUNS registration and grantee pre-qualification)

16. Common Name (DBA)

17. Employer/Taxpayer identification number (EIN, TIN)

18. Organizational DUNS Number

19. SAM Cage Code

20. Business Address (Address 1) (Address 2) (City), (State), (zip - 4)

**Applicant's Organizational Unit**

21. Department Name

22. Division Name

Applicant's Name and Contact Information for Person to be Contacted for **Program** Matters involving this Application.

23. First Name

24. Last Name

25. Suffix

26. Title

27. Organizational Affiliation

28. Telephone Number

29. Fax Number

30. E-mail Address

Applicant's Name and Contact Information for Person to be Contacted for **Business/Administrative Office** Matters involving the Application.

31. First Name

32. Last Name

33. Suffix

34. Title

35. Organizational Affiliation

36. Telephone Number

37. Fax Number

38. E-mail Address

**Areas Affected**

39. Areas Affected by the Project (cities, counties, state-wide, add attachments e.g. maps)

40. Legislative and Congressional District of Applicant

41. Legislative and Congressional Districts or Program Project

**Applicant's Project**

42. Description Title of Applicant's Project

43. Proposed Project Term

Start Date

End Date

44. Estimated Funding (Include all that apply)

<input checked="" type="checkbox"/> Amount Requested from the State	<input type="text" value="\$3,500,000.00"/>
<input type="checkbox"/> Applicant Contribution (e.g., in kind, matching)	<input type="text" value="\$0.00"/>
<input type="checkbox"/> Local Contribution	<input type="text" value="\$0.00"/>
<input type="checkbox"/> Other Source of Contribution	<input type="text" value="\$0.00"/>
<input type="checkbox"/> Program Income	<input type="text"/>
Total Amount	<input type="text" value="\$3,500,000.00"/>

Applicant Certification:

By signing this application, I certify (1) to the statements contained in the list of certifications\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, Section 1001)

(\* ) The list of certification and assurances, or an internet site where you may obtain this list is contained in the Notice of Funding Opportunity. If a NOFO was not required for the award, the state agency will specify required assurances and certifications as an addendum to the application.

I Agree

**Authorized Representative**

45. First Name

46. Last Name

47. Suffix

48. Title

49. Telephone Number

50. Fax Number

51. E-mail Address

52. Signature of Authorized Representative



53. Date Signed

05-21-2020

**APPLICANT PROJECT INFORMATION**  
**REBUILD ILLINOIS PUBLIC INFRASTRUCTURE**

Type of project? Water System Improvements including Well, Well House, and Tower Rehabilitation

**I. PROJECT LOCATION ADDRESS:**

Street Address Corner of N. 7th Street and Second Avenue  
(required)

City Rochelle State Illinois Zip Code 61068  
The project location will be utilized to verify inclusion in an opportunity zone and/or DCEO underserved area.

**II. PROJECT BENEFIT INFORMATION**

CENSUS TRACT NUMBER(s) – Use additional sheet, if necessary.

961200	9611000				

Is this project located in an [Opportunity Zone](#)?  Yes  No

Is this project located in an [Underserved Area](#)?  Yes  No

**III. APPLICATION WRITER**

CONTACT PERSON:

Bridgette Stocks

TITLE:

Community Development Specialist

ADDRESS AND PHONE NUMBER:

Firm Name Fehr Graham

Street Address 221 E. Main Street  
(required)P.O. Box  
(Only if no street address)City Freeport State IL Zip Code 61001  
(include + 4)E-Mail bstocks@fehr-graham.com  
(required)

BUSINESS PHONE: ( 815 ) 235-7643 FAX PHONE: ( 815 ) 235-4632

FEDERAL EMPLOYER IDENTIFICATION NUMBER: 36-2780335  
(required)**IV. PROJECT ENGINEER, if selected**

CONTACT PERSON:

Noah Carmichael

TITLE:

Principal, P.E.

ADDRESS AND PHONE NUMBER:

Firm Name Fehr Graham

Street Address 515 Lincoln Highway  
(required)P.O. Box  
(Only if no street address)City Rochelle State IL Zip Code 61068  
(include + 4)E-Mail ncarmichael@fehr-graham.com  
(required)

BUSINESS PHONE: ( 815 ) 562-9087 FAX PHONE: ( 815 ) 562-4233

FEDERAL EMPLOYER IDENTIFICATION NUMBER: 36-2780335  
(required)

STATE OF ILLINOIS		UNIFORM GRANT BUDGET TEMPLATE		Commerce & Economic Opportunity	
Organization Name:	City of Rochelle	DUNS#	10231009	NOFO #	
CSFA Number:	420-75-2411	CSFA Description:	Rebuild Illinois	Fiscal Year:	2020
<b>SECTION A -- STATE OF ILLINOIS FUNDS</b>				Grant #	
<b>Revenues</b>				<b>TOTAL REVENUE</b>	
(a). State of Illinois Grant Amount Requested				\$ 3,500,000.00	
<b>BUDGET SUMMARY STATE OF ILLINOIS FUNDS</b>					
Budget Expenditure Categories		OMB Uniform Guidance Federal Awards Reference 2 CFR 200		TOTAL EXPENDITURES	
1. Design/Engineering				\$ -	
2. Building/Land Purchase				\$ -	
3. Equipment/Materials/Labor				\$ -	
4. Equipment				\$ -	
5. Wiring/Electrical				\$ -	
6. Mechanical System				\$ -	
7. Paving/Concrete/Masonry				\$ -	
8. Plumbing				\$ -	
9. Construction Management/Oversight				\$ 280,000.00	
10. Construction				\$ 2,800,000.00	
11. Other Construction Expenses				\$ -	
12. Excavation/Site Prep/Dem				\$ -	
13. Site Work				\$ -	
14. Demolition & Removal				\$ -	
15. Contingency				\$ 420,000.00	
16. Total Direct Costs (lines 1-15)				\$ 3,500,000.00	
<b>17. Total Costs State Grant Funds (16 &amp;17)</b>				<b>\$ 3,500,000.00</b>	

Organization Name: City of Rochelle NOFO # 0

**SECTION - A (continued) Indirect Cost Rate Information**

If your organization is requesting reimbursement for indirect costs on line 17 of the Budget Summary, please select one of the following options.

1)  Our Organization receives direct Federal funding and currently has a Negotiated Indirect Cost Rate Agreement (NICRA) with our Federal Cognizant Agency. A copy of this agreement will be provided to the State of Illinois' Indirect Cost Unit for review and documentation before reimbursement is allowed. This NICRA will be accepted by all State of Illinois Agencies up to any statutory, rule-based or programmatic restrictions or limitations.

*NOTE: (If this option is selected, please provide basic Negotiated Indirect Cost Rate Agreement information in area designated below)*

Your Organization may not have a Federally Negotiated Indirect Cost Rate Agreement. Therefore, in order for your Organization to be reimbursed for Indirect Costs from the State of Illinois, your Organization must either:

- A. Negotiate an Indirect Cost Rate with the State of Illinois' Indirect Cost Unit with guidance from your State Cognizant Agency on an annual basis.
- B. Elect to use the de minimis rate of 10% modified total direct cost (MTDC) which may be used indefinitely on State of Illinois Awards.
- C. Use a Restricted Rate designated by programmatic or statutory policy. (See Notice of Funding Opportunity for Restricted Rate Programs)

2a)  Our Organization currently has a Negotiated Indirect Cost Rate Agreement with the State of Illinois that will be accepted by all State of Illinois Agencies up to any statutory, rule-based or programmatic restrictions or limitations. Our Organization is required to submit a new Indirect Cost Rate Proposal to the Indirect Cost Unit within six (6) months after the close of each fiscal year (2 CFR 200 Appendix IV (C)(2)(c)).

*NOTE: (If this option is selected, please provide basic Indirect Cost Rate information in area designated below)*

2b)  Our Organization currently does not have a Negotiated Indirect Cost Rate Agreement with the State of Illinois. Our Organization will submit our initial Indirect Cost Rate Proposal (ICRP) immediately after our Organization is advised that the State award will be made and, in no event, later than three (3) months after the effective date of the State award (2 CFR 200 Appendix IV (C)(2)(b)). The initial ICRP will be sent to the State of Illinois' Indirect Cost Unit.

*NOTE: (Check with your State of Illinois Agency for information regarding reimbursement of indirect costs while your proposal is being negotiated)*

3)  Our Organization has never received a Negotiated Indirect Cost Rate Agreement from either the Federal government or the State of Illinois and elects to charge the de minimis rate of 10% modified total direct cost (MTDC) which may be used indefinitely on State of Illinois awards (2 CFR 200.414 (c)(4)(f) & (200.68)).

*NOTE: (Your Organization must be eligible, see 2 CFR 200.414 (f), and submit documentation on the calculation of MTDC within your Budget Narrative under Indirect Costs)*

4)  For Restricted Rate Programs (check one) -- Our Organization is using a restricted indirect cost rate that:

\_\_\_\_\_ Is included as a "Special Indirect Cost Rate" in our NICRA (2 CFR 200Appendix IV (5) Or;

\_\_\_\_\_ Complies with other statutory policies (please specify):

The Restricted Indirect Cost Rate is \_\_\_\_\_ %

5)  No reimbursement of Indirect Cost is being requested. (Please consult your program office regarding possible match requirements)

**Basic Negotiated Indirect Cost Rate Agreement information if Option (1) or (2a) is selected**

Period Covered by the NICRA: From: \_\_\_\_\_ To: \_\_\_\_\_ (mm/dd/yyyy)

Approving Federal/State agency (please specify): \_\_\_\_\_

The Indirect Cost Rate is: \_\_\_\_\_ 0 % The Distribution Base is: \_\_\_\_\_

Organization Name:

City of Rochelle

NOFO #

0

<b>STATE OF ILLINOIS</b>	<b>UNIFORM GRANT BUDGET TEMPLATE</b>	<b>Commerce &amp; Economic Opportunity</b>
<b>Organization Name: City of Rochelle</b>	<b>NOFO #</b>	<b>Fiscal Year 2020</b>
<b>SECTION B -- NON STATE OF ILLINOIS FUNDS</b>		<b>Grant Number:</b>
<b>Revenues</b>		<b>TOTAL REVENUE</b>
	Private	Public
<b><u>NON-STATE Funds Total</u></b>	\$ -	\$ -
<b>BUDGET SUMMARY NON-STATE OF ILLINOIS FUNDS</b>		
<b>Budget Expenditure Categories</b>	<b>TOTAL Private EXPENDITURES</b>	<b>TOTAL Public EXPENDITURES</b>
1. Design/Engineering	\$ -	\$ -
2. Building/Land Purchase	\$ -	\$ -
3. Equipment/Materials/Labor	\$ -	\$ -
4. Equipment	\$ -	\$ -
5. Wiring/Electrical	\$ -	\$ -
6. Mechanical System	\$ -	\$ -
7. Paving/Concrete/Masonry	\$ -	\$ -
8. Plumbing	\$ -	\$ -
9. Construction Management/Oversight	\$ -	\$ -
10. Construction	\$ -	\$ -
11. Other Construction Expenses	\$ -	\$ -
12. Excavation/Site Prep/Dem	\$ -	\$ -
13. Site Work	\$ -	\$ -
14. Demolition & Removal	\$ -	\$ -
15. Contingency	\$ -	\$ -
16. Total Direct Costs (lines 1-15)	\$ -	\$ -
<b>17. Total Costs NON -State Grant Funds (16 &amp;17)</b>		\$ -

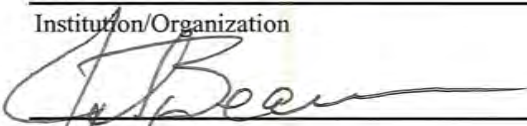
<b>CERTIFICATION</b>	<b>STATE OF ILLINOIS UNIFORM GRANT BUDGET TEMPLATE</b>	<b>AGENCY: Commerce &amp; Economic Opportunity</b>
<b>Organization Name: City of Rochelle</b>	<b>CSFA Description: Rebuild Illinois</b>	<b>NOFO #</b>
<b>CSFA #: 420-75-2411</b>	<b>DUNS # 10231009</b>	<b>Fiscal Year(s): 2020</b>

(2 CFR 200.415)

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate and that any false, fictitious, or fraudulent information or the omission of any material fact, could result in the immediate termination of my grant award(s).

City of Rochelle

Institution/Organization

  
Signature

John Beatty

Name of Official

Mayor

Title


Chief Financial Officer (or equivalent) Mayor

5-21-2020

Date of Execution

City of Rochelle

Institution/Organization

  
Signature

JEFFREY A FIGUEROA

Name of Official

City Manager

Title

Executive Director (or equivalent)

5.24.20

Date of Execution

**Note: The State awarding agency may change required signers based on the grantee’s organizational structure. The required signers must have the authority to enter into contractual agreements on behalf of the organization.**

## Section C - Budget Worksheet & Narrative

City of Rochelle

**1). Design/Engineering** -- Costs associated with planning, design, and construction observation or related services for the proposed project including environmental services, testing, surveys, etc. Costs associated with creation of the project's architectural drawings, engineering studies and/or fees, etc., including costs of plans & specs and/or printing costs if specifically identified as such within the project description. Copies of contracts will be required.

Purpose	Description of Work	Item Cost
		\$ -
		\$ -
		\$ -
		\$ -
	<i>State Total</i>	\$ -
		\$ -
		\$ -
	<i>Private Non-State Total</i>	\$ -
		\$ -
		\$ -
	<i>Public Non-State Total</i>	\$ -
	<i>Total</i>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

City of Rochelle

2). **Building/Land Purchase** -- Costs to purchase, either in whole or in part a building, structural shell, condominium, land, and/or easement including, but not limited to: the net purchase price itself, closing costs charged to the buyer on the closing document, legal fees, etc. Additionally, costs associated with Right-of-Way, appraisals, property/boundary surveys, legal fees, etc.

Purpose	Description of Work	Item Cost
		\$ -
		\$ -
		\$ -
		\$ -
	<i>State Total</i>	\$ -
		\$ -
		\$ -
	<i>Private Non-State Total</i>	\$ -
		\$ -
		\$ -
	<i>Public Non-State Total</i>	\$ -
	<i>Total</i>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

City of Rochelle

**3). Equipment/Materials/Labor (2 CFR 200.474 )--** Purchase of materials and/or purchase/lease of equipment, to use or install for the project, such as: steel, drywall, lumber, wiring, doors, windows, roofing, rock, etc. including labor/installation costs, as identified - within the project description

Item	Quantity	Cost Rate	Item Cost
			\$ -
			\$ -
			\$ -
			\$ -
		<i>State Total</i>	\$ -
			\$ -
			\$ -
		<i>Private Non-State Total</i>	\$ -
			\$ -
			\$ -
		<i>Public Non-State Total</i>	\$ -
			\$ -
		<i>Total</i>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

City of Rochelle

4). **Equipment** (2 CFR 200.439) -- All costs associated with equipment that is not associated with any other contracts related to the grant.

Item	Quantity	Cost	Equipment Cost
			\$ -
			\$ -
		<i>State Total</i>	\$ -
			\$ -
			\$ -
		<i>Private Non-State Total</i>	\$ -
			\$ -
			\$ -
		<i>Public Non-State Total</i>	\$ -
			\$ -
		<i>Total Equipment</i>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

City of Rochelle

**5). Wiring/Electrical (2 CFR 200.94)** -- Purchase of materials necessary for completion of the project scope such as electrical wiring, conduit, outlets, switches, etc. including associated labor/installation costs, as identified within the project description.

Item	Quantity/ Duration	Cost per Item	Item Cost
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
		<i>State Total</i>	\$ -
			\$ -
			\$ -
		<i>Private Non-State Total</i>	\$ -
			\$ -
			\$ -
		<i>Public Non-State Total</i>	\$ -
			\$ -
		<i>Total</i>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

6). **Mechanical System** -- Purchase of materials necessary for completion of the project scope such as HVAC, elevators, fire alarm, sprinkler, or ventilation system, etc. including associated labor/installation costs, as identified within the project description.

Item	Quantity/ Duration	Cost per Item	Item Cost
			\$ -
			\$ -
			\$ -
			\$ -
		<i>State Total</i>	\$ -
			\$ -
			\$ -
		<i>Private Non-State Total</i>	\$ -
			\$ -
			\$ -
		<i>Public Non-State Total</i>	\$ -
			\$ -
		<i>Total</i>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

City of Rochelle

7). **Paving/Concrete/Masonry** (2 CFR 200.459) -- Purchase of materials necessary for completion of the project scope such as bituminous pavement, concrete, rock, bricks, blocks, mortar, tuckpointing, etc. including associated labor/installation costs, as identified within the project description.

Item	Quantity	Cost per Item	Item Cost
			\$ -
			\$ -
		<b>State Total</b>	\$ -
			\$ -
			\$ -
		<b>Private Non-State Total</b>	\$ -
			\$ -
			\$ -
		<b>Public Non-State Total</b>	\$ -
			\$ -
		<b>Total</b>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

City of Rochelle

8). **Plumbing**-- Purchase of materials necessary for completion of the project scope such as internal or external pipes for water, gas, and/or sewage; fixtures; etc. including associated labor/installation costs, as identified within the project description.

Item	Quantity	Cost per Item	Item Cost
			\$ -
			\$ -
		<i>State Total</i>	\$ -
			\$ -
			\$ -
		<i>Private Non-State Total</i>	\$ -
			\$ -
			\$ -
		<i>Public Non-State Total</i>	\$ -
			\$ -
		<i>Total</i>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

City of Rochelle

**9). Construction Management/Oversight** -- Costs associated with managing the construction activities and/or overseeing all aspects of the construction project, either by contractor personnel or grantee personnel, but limited to verifiable time working on this project.

Purpose	Description of Work	Item Cost
<i>Construction Inspection</i>	<i>Construction Inspection</i>	\$ <b>280,000.00</b>
		\$ -
		\$ -
	<b>State Total</b>	\$ <b>280,000.00</b>
		\$ -
	<b>Private Non-State Total</b>	\$ -
		\$ -
	<b>Public Non-State Total</b>	\$ -
	<b>Total</b>	\$ <b>280,000.00</b>

**Narrative (State):**

Construction Inspection and Oversight on all three components of the project: Well Rehabilitation, Well House Construction, and Tower Painting

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

City of Rochelle

**10). Construction** -- All costs associated with physical construction and construction related services provided by the contractor(s) of the facility.

Purpose	Description of Work	Item Cost
<i>Well Rehabilitation</i>	<i>Well Rehabilitation</i>	\$ 175,000.00
<i>Well House Construction</i>	<i>Well House Construction</i>	\$ 1,850,000.00
<i>Tower Painting</i>	<i>Tower Painting</i>	\$ 775,000.00
	<b>State Total</b>	\$ 2,800,000.00
		\$ -
		\$ -
	<b>Private Non-State Total</b>	\$ -
		\$ -
		\$ -
	<b>Public Non-State Total</b>	\$ -
	<b>Total</b>	\$ 2,800,000.00

**Narrative (State):**

The project consists of Well Rehabilitation, Well House Construction, and Tower Painting.

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

City of Rochelle

**11). Other Construction Expenses** -- Costs that cannot be easily broken out to or covered by individual/specific budgetary line items such as landscaping, hauling, equipment, rental, insurance, environmental fees, loan payments, etc. as identified within the project description.

Purpose	Description of Work	Item Cost
		\$ -
		\$ -
		\$ -
	<b>State Total</b>	\$ -
		\$ -
		\$ -
	<b>Private Non-State Total</b>	\$ -
		\$ -
		\$ -
	<b>Public Non-State Total</b>	\$ -
	<b>Total</b>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

City of Rochelle

**12). Excavation/Site Prep/Demo** -- Costs associated with demolition of existing structures on the project site and/or preparation of the project site including excavation, etc. ahead of actual new construction/renovation activities.

Purpose	Description of Work	Item Cost
		\$ -
		\$ -
		\$ -
	<i>State Total</i>	\$ -
		\$ -
		\$ -
	<i>Private Non-State Total</i>	\$ -
		\$ -
		\$ -
	<i>Public Non-State Total</i>	\$ -
	<i>Total</i>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

**13), Site Work** - All costs associated with work outside of the 5-foot building line, including grading, excavation, filtration systems, parking lots, sidewalks, utilities, etc.

Purpose	Description of Work	Item Cost
		\$ -
		\$ -
	<b>State Total</b>	\$ -
		\$ -
	<b>Private Non-State Total</b>	\$ -
		\$ -
	<b>Public Non-State Total</b>	\$ -
	<b>Total</b>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

**14). Demolition and Removal** --All costs associated with removal of any structures required to accommodate new construction and approved as part of the grant.

Purpose	Description of Work	Item Cost
		\$ -
		\$ -
		\$ -
		\$ -
	<i>State Total</i>	\$ -
		\$ -
		\$ -
	<i>Private Non-State Total</i>	\$ -
		\$ -
		\$ -
	<i>Public Non-State Total</i>	\$ -
	<i>Total</i>	\$ -

**Narrative (State):**

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

**15). Contingency** - Coverage of potential cost overruns in any of the utilized grant budget line items.

Purpose	Description of Work	Item Cost
<i>Contingency</i>	<i>Contingency</i>	\$ 420,000.00
		\$ -
	<b>State Total</b>	<b>\$ 420,000.00</b>
		.
		\$ -
	<b>Private Non-State Total</b>	<b>\$ -</b>
		\$ -
		\$ -
	<b>Public Non-State Total</b>	<b>\$ -</b>
	<b>Total</b>	<b>\$ 420,000.00</b>

**Narrative (State):**  
Contingency of 10% of estimated Construction Costs

**Narrative (Private Non-State) i.e. "Match" or "Other Funding"**

**Narrative (Public Non-State) i.e. "Match" or "Other Funding"**

## Section C - Budget Worksheet & Narrative

City of Rochelle

**Budget Narrative Summary**--When you have completed the budget worksheet, transfer the totals for each category to the spaces below to the uniform template provided (SECTION A & B). Verify the total costs and the total project costs. Indicate the amount of State requested funds and the amount of non-State funds that will support the project.

<i>Budget Category</i>	<i>State</i>	<i>Private Match</i>	<i>Public Match</i>	<i>Total</i>
<i>1. Design/Engineering</i>	\$ -	\$ -	\$ -	\$ -
<i>2. Building/Land Purchase</i>	\$ -	\$ -	\$ -	\$ -
<i>3. Equipment/Materials/Labor</i>	\$ -	\$ -	\$ -	\$ -
<i>4. Equipment</i>	\$ -	\$ -	\$ -	\$ -
<i>5. Wiring/Electrical</i>	\$ -	\$ -	\$ -	\$ -
<i>6. Mechanical System</i>	\$ -	\$ -	\$ -	\$ -
<i>7. Paving/Concrete/Masonry</i>	\$ -	\$ -	\$ -	\$ -
<i>8. Plumbing</i>	\$ -	\$ -	\$ -	\$ -
<i>9. Construction Management/Oversight</i>	\$ 280,000.00	\$ -	\$ -	\$ 280,000.00
<i>10. Construction</i>	\$ 2,800,000.00	\$ -	\$ -	\$ 2,800,000.00
<i>11. Other Construction Expenses</i>	\$ -	\$ -	\$ -	\$ -
<i>12. Excavation/Site Prep/Dem</i>	\$ -	\$ -	\$ -	\$ -
<i>13. Site Work</i>	\$ -	\$ -	\$ -	\$ -
<i>14. Demolition &amp; Removal</i>	\$ -	\$ -	\$ -	\$ -
<i>15. Contingency</i>	\$ 420,000.00	\$ -	\$ -	\$ 420,000.00
 <i>State Request</i>	 \$ 3,500,000.00			
<i>Private Match</i>		\$ -		
<i>Public Match</i>			\$ -	
<b>TOTAL PROJECT COSTS</b>				<b>\$ 3,500,000.00</b>

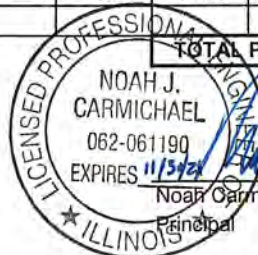


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ENGINEERING & ENVIRONMENTAL

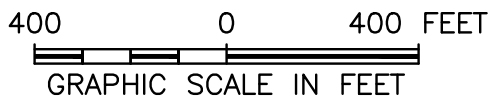
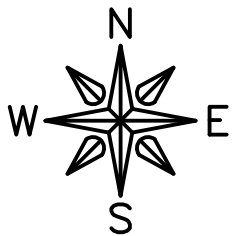
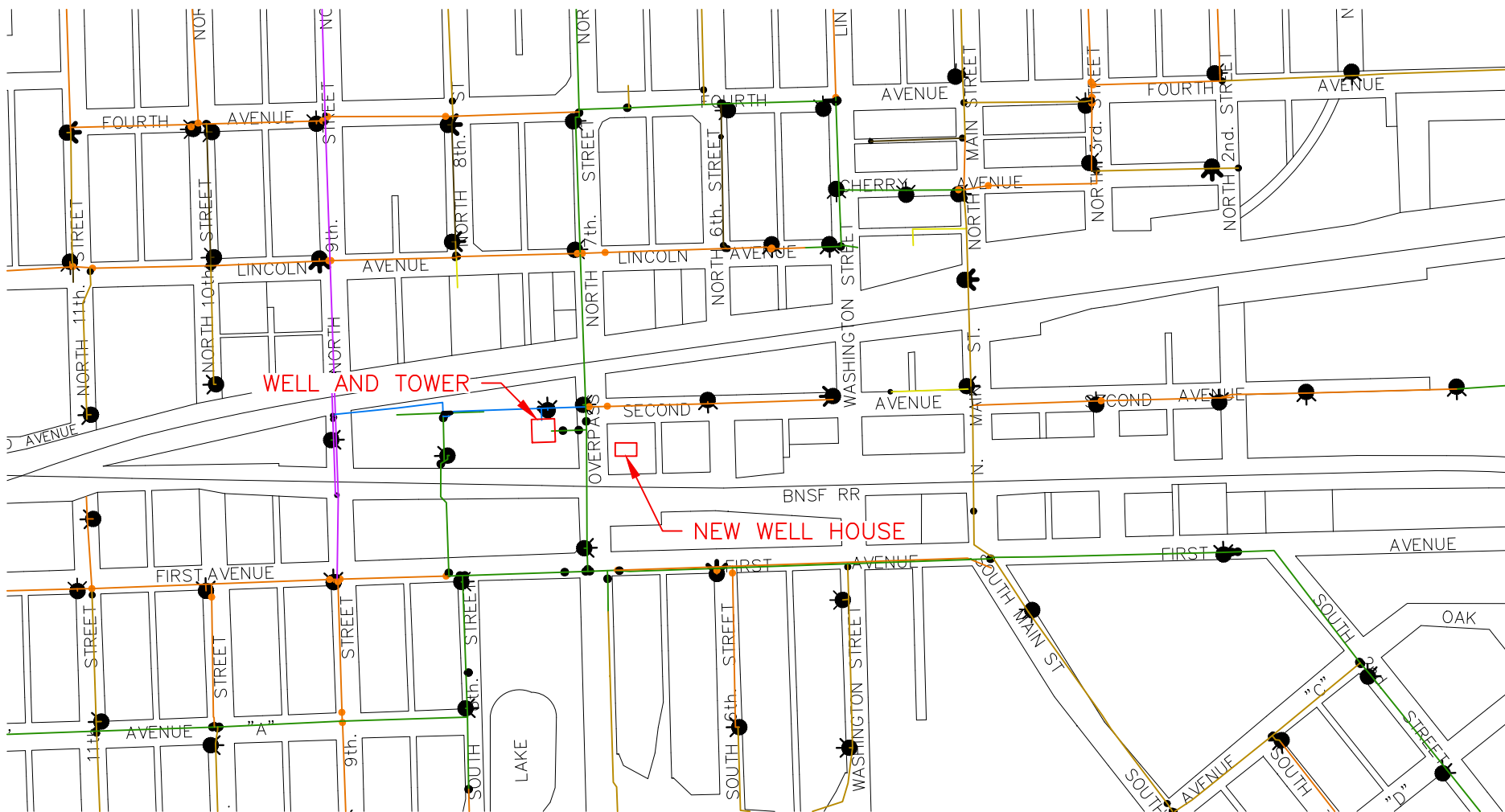
Engineer's Opinion of Probable Cost  
 Rochelle Municipal Utilities  
 21-May-20  
 RMU - Well #4 Project

COMPONENT 1 - WELL REHABILITATION					
No.	Description	Quantity	Unit	Unit Price	Total Price
1	Mobilization and Demobilization	1	LS	\$ 8,000.00	\$ 8,000.00
2	Pre-Rehabilitation CCTV	1	LS	\$ 4,500.00	\$ 4,500.00
3	Bailing of Well	1	LS	\$ 10,000.00	\$ 10,000.00
4	Pumping System Removal	1	LS	\$ 15,000.00	\$ 15,000.00
5	Pump Installation, Disinfection, and Start-Up	1	LS	\$ 20,000.00	\$ 20,000.00
6	Post-Rehabilitaiton CCTV	1	LS	\$ 5,000.00	\$ 5,000.00
7	Pitless Adapter Conversion	1	LS	\$ 50,000.00	\$ 50,000.00
8	Mechanical Brushing, Air Impulse Regeneration, and Chemical Treatment with Air Impulse	1	LS	\$ 17,500.00	\$ 17,500.00
9	Casing Pipe Repairs	1	LS	\$ 15,000.00	\$ 15,000.00
10	Pump Repairs	1	LS	\$ 30,000.00	\$ 30,000.00
				SUBTOTAL	\$ 175,000.00
COMPONENT 2 - WELLHOUSE					
No.	Description	Quantity	Unit	Unit Price	Total Price
1	Mobilization	1	LS	\$ 25,000.00	\$ 25,000.00
2	Site Removal, Complete	1	LS	\$ 150,000.00	\$ 150,000.00
3	Well House No. 4, Complete	1	LS	\$ 1,200,000.00	\$ 1,200,000.00
4	Civil Site Improvements, Complete	1	LS	\$ 250,000.00	\$ 250,000.00
5	De-Mobilization	1	LS	\$ 5,000.00	\$ 5,000.00
6	Connect to Existing Watermain	3	EA	\$ 2,000.00	\$ 6,000.00
7	D.I. CL 53 Watermain, 12" Dia.	800	LF	\$ 170.00	\$ 136,000.00
8	D.I. CL 53 Watermain, 6" Dia.	15	LF	\$ 100.00	\$ 1,500.00
9	Gate Valve & Box, 12" Dia.	9	EA	\$ 3,500.00	\$ 31,500.00
10	Fire Hydrant, Complete	1	EA	\$ 6,000.00	\$ 6,000.00
11	Water Service, Complete	2	EA	\$ 4,500.00	\$ 9,000.00
12	Asbestos Remediation	1	LS	\$ 30,000.00	\$ 30,000.00
				SUBTOTAL	\$ 1,850,000.00
COMPONENT 3 - TOWER PAINTING					
No.	Description	Quantity	Unit	Unit Price	Total Price
1	Containment and Disposal	1	LS	\$ 250,000.00	\$ 250,000.00
2	Exterior Painting System	1	LS	\$ 200,000.00	\$ 200,000.00
3	Interior (Wet) Painting System	1	LS	\$ 150,000.00	\$ 150,000.00
4	Logo	1	LS	\$ 32,500.00	\$ 32,500.00
6	Tank Top Hand Rail	1	LS	\$ 15,000.00	\$ 15,000.00
7	Misc. Steel Inspection and Repairs	1	LS	\$ 27,500.00	\$ 27,500.00
8	Submersible Mixer	1	EA	\$ 35,000.00	\$ 35,000.00
9	Cathodic Protection	1	EA	\$ 25,000.00	\$ 25,000.00
10	Misc. Electrical Improvements	1	LS	\$ 10,000.00	\$ 10,000.00
11	Vent Replacement	1	EA	\$ 10,000.00	\$ 10,000.00
12	Ladder Inspection and Repairs	1	LS	\$ 5,000.00	\$ 5,000.00
13	Fall Protection, Complete	1	LS	\$ 15,000.00	\$ 15,000.00
				SUBTOTAL	\$ 775,000.00
Contingency		15	PER		\$ 420,000.00
Construction Engineering/Project Management		10	PER		\$ 280,000.00
				<b>TOTAL PROJECT COST</b>	<b>\$ 3,500,000.00</b>



Noah Carmichael, PE  
Principal

5-21-2020



- 2" WATER MAIN
- 4" WATER MAIN
- 6" WATER MAIN
- 8" WATER MAIN
- 10" WATER MAIN
- 12" WATER MAIN
- FIRE HYDRANT
- WATER VALVE

**EXHIBIT 1**  
**CITY OF ROCHELLE**  
**WATER SYSTEM IMPROVEMENTS**  
**PROJECT No. 18-1096**

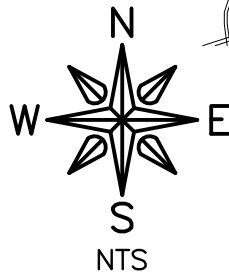
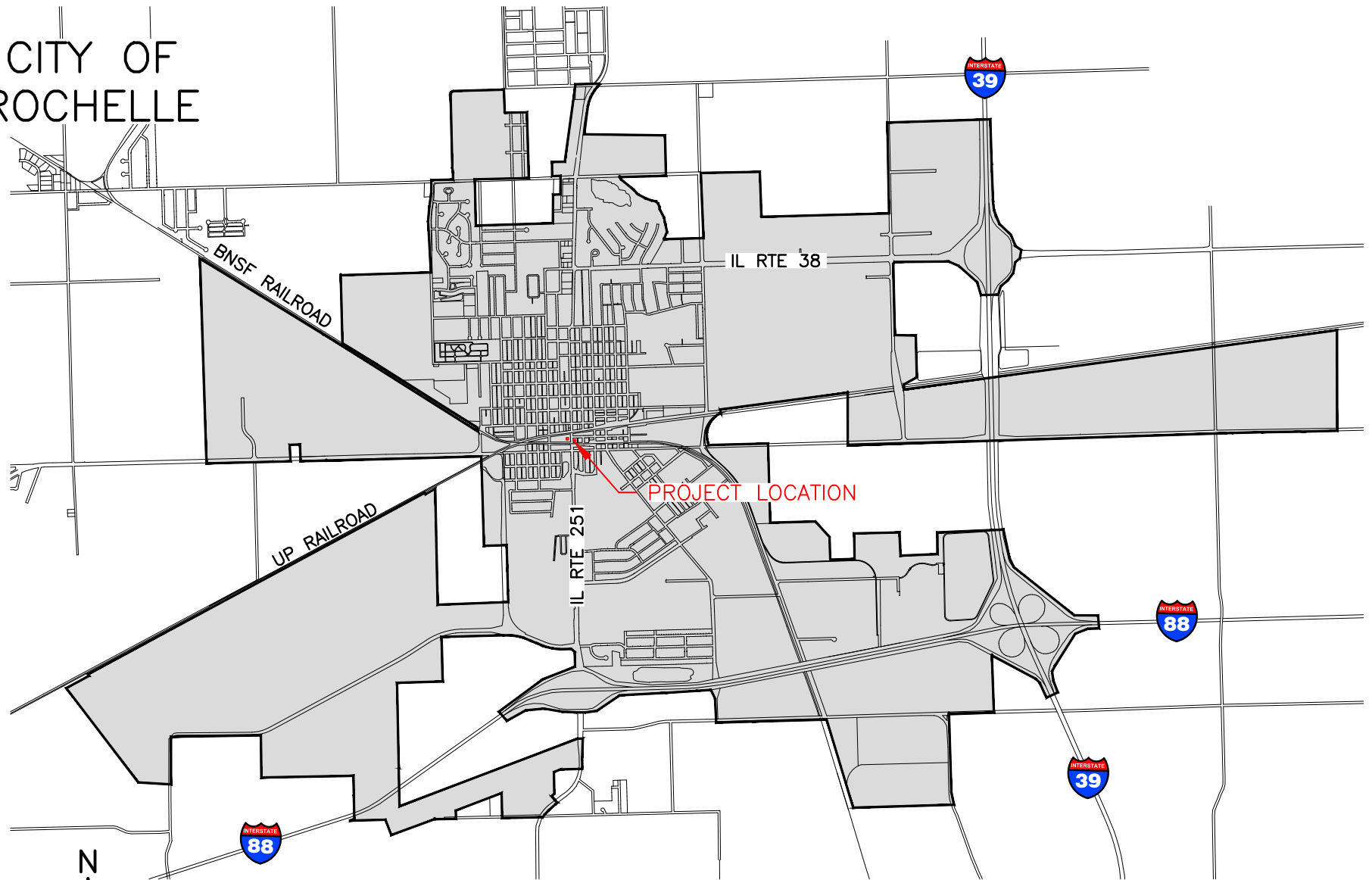
05/20/20

ENGINEERING & ENVIRONMENTAL  
ILLINOIS DESIGN FIRM NO. 184-003525

ILLINOIS  
 IOWA  
 WISCONSIN

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 PLOT DATE: 5/20/20

# CITY OF ROCHELLE



COORPORATE LIMITS

05/20/20

## FEHR GRAHAM

ENGINEERING & ENVIRONMENTAL  
ILLINOIS DESIGN FIRM NO. 184-003525

ILLINOIS  
IOWA  
WISCONSIN

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# National Flood Hazard Layer FIRMeTte



41°59'24.75"N



## Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) <i>Zone A, X, AO</i>
		With BFE or Depth <i>Zone AE, AO, AH, VE, AR</i>
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile <i>Zone X</i>
		Future Conditions 1% Annual Chance Flood Hazard <i>Zone X</i>
		Area with Reduced Flood Risk due to Levee. See Notes. <i>Zone O</i>
		Area with Flood Risk due to Levee <i>Zone O</i>
OTHER AREAS		Area of Minimal Flood Hazard <i>Zone X</i>
		Effective LOMRs
		Area of Undetermined Flood Hazard <i>Zone O</i>
GENERAL STRUCTURES		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		Cross Sections with 1% Annual Chance Water Surface Elevation
		Cross Sections with 1% Annual Chance Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 5/20/2020 at 9:59:01 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

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**PROJECT SUMMARY:**

---

The City of Rochelle is seeking Fast Track Public Infrastructure grant funds for a water system improvements project that includes the following components: Well Rehabilitation, Well House Construction, and Tower Painting. These water system improvements are necessary for the City to continue to provide a safe, reliable water source for the City.

The proposed water system improvements will include the following:

1. Well Rehabilitation – component includes the removal of the column pipe, submersible motor and pump assembly. All components will be overhauled and/or repaired. The well casing will be televised and inspected for deficiencies. All sand and other debris will be bailed from the bottom of the well. Once the equipment is overhauled and/or repaired and the well casing deemed satisfactory, the equipment will be reinstalled and placed into service.
2. Well House Construction – the current well house is over 40 years old and is simply too small to effectively accommodate all of the equipment needed to produce potable water. A new well house will be constructed adjacent to the existing facility. The well house will have many features that will allow the city to provide safe, reliable water. These features include dedicated rooms for the required chlorine and fluoride chemical feeds; new electrical service and VFD well controls; office/meeting space; rest room and storage facilities. In addition to the basic well house requirements, the replacement facility will have improved safety features such as full SCADA integration and interior/exterior security cameras. The new well house will serve the Rochelle community for decades.
3. Tower Painting – the final component is the complete recoating (repainting) of the 500,000 gallon water tower. The multi-leg tower was constructed in 1961. The tower is overdue for repainting and some maintenance while the well and well house are out of service. The project includes sand blasting the interior and exterior of the tower; spot steel repairs as needed; and recoating with primer and top coat.

The proposed water system improvements are necessary to deter the current deteriorating conditions of the system components. In order to continue providing a safe, reliable water source, the City of Rochelle needs to make the improvements listed above. The rehabilitation of the well will provide a more effective source point for the water. The well house improvements are necessary due to the condition of the current facility, which is old, undersized, and unsafe. This is illustrated in the photos provided with this grant application. The tower is overdue for painting. It's current appearance is very poor, which affects the overall appearance of the City's downtown. The maintenance that will be completed along with the painting will improve the functionality of the tower and the City's water distribution system.

The project limits for the proposed water system improvements include the current location of the existing Well, Well House, and Water Tower. These components are located in Rochelle's downtown, just off of North 7<sup>th</sup> Street and 2<sup>nd</sup> Avenue.

The proposed project is not necessary to comply with state or federal regulations.

**City of Rochelle**  
**Rebuild Illinois Fast Track Public Infrastructure Grant Application**

The anticipated timeline for the proposed water system improvements project is as follows:

- Funding Award: June 2020
- Environmental Review: June 2020
- Project Bid: July 2020
- Construction Period: August 2020 – March 2021
- Project Closeout: April 2021

The City of Rochelle will continue to hold full control & ownership of the City’s water system. The entire will benefit from this project, residents and businesses alike.

The City of Rochelle is requesting this funding because they are unable to fund this vital infrastructure project on their own. The City just completed another major water system project with their own funds, and are not comfortable using the remainder of their surplus funds in this uncertain climate. Rochelle was prepared to move forward with construction on the proposed project, but due to the COVID-19 pandemic, the City decided to initially delay/postpone the project if they were going to fund it on their own. With design completed and permits in-hand, the City is ready to move forward with the project immediately; they just financial assistance to make it happen.

**Impact Amplification:**

The proposed reconstruction project’s impact will be amplified by it’s location. The entire City of Rochelle is located in a designed DCEO Underserved Area. In addition, the proposed project location is in an Opportunity Zone, in one of the City of Rochelle’s TIF Districts, and in the Lee-Ogle Enterprise Zone. Any infrastructure improvements in this area will incredibly impactful.

The City of Rochelle’s connection and proximity to one of the greatest multi-modal transportation systems in the nation will be impacted by the project as well, as most systems utilize the City’s water system in some capacity. Rochelle’s multi-modal transportation system includes the second largest public transportation system, the second largest rail system, the third largest interstate system, the fourth largest highway system, and one of the busiest airport systems. Rochelle is located at the intersection of Interstates I-39 Logistics and Distribution Corridor and the I-88 Research and Development Corridor. The City of Rochelle Industrial Railroad (CIR) has been the catalyst for economic development for the City of Rochelle for more than 30 years. The continuous expansion of the rail system has allowed rail-served industries to cut cost and increase efficiency in shipping and receiving operations due to the dual interchanges with Union Pacific and Burlington Northern Santa Fe Railroads. The CIR was strategically established and located on the growth edge of Chicago’s westward commercial frontier to meet the demand of industries looking to locate outside the capacity-constrained Chicago area.

**Minority Inclusion Plan:**

The City of Rochelle has a higher minority population than other area communities of it’s size. In addition to trying to meet the Ogle County minority and women-owned business goals on the project, Rochelle will use measures to facilitate the participation of minority and women-owned businesses contracting activities with respect to the proposed project construction. These measures may include, but are not limited to:

**City of Rochelle**

**Rebuild Illinois Fast Track Public Infrastructure Grant Application**

- arranging solicitation times for the presentations of bids, quantities, specifications, and delivery schedules so as to facilitate the participation of interested Contractors and Subcontractors;
- providing timely information programs on contracting procedures, Bid preparation, and specific contracting opportunities;
- holding pre-Bid conferences, where appropriate, to explain the projects and to encourage other Contractors to use all available Business Enterprises as Subcontractors;
- collecting information from all prime Contractors (or Consultants) on City Contracts detailing the bids received from all Subcontractors (or Subconsultants) for City Contracts and the expenditures to Subcontractors (or Subconsultants) utilized by prime Contractors (or Consultants) on City Contracts;
- referring complaints of discrimination to the appropriate state or federal agency for investigation and resolution, or taking other action as appropriate.

**Business Infrastructure:**

The City of Rochelle's water system serves the entire city, encompassing both the residential community and the business community. The proposed water system improvement project will allow the City to strengthen their infrastructure foundations to continue to support existing businesses and create the opportunity to attract new development to the area. This project will any water system improvement-related public infrastructure barriers for new businesses to start or existing businesses to grow in the area.

With the rehabilitated well, new well house, and a maintained tower, the City of Rochelle will be able serve their existing and new business customers more effectively. With the proposed project being located in the downtown area, the painting and tower maintenance component of the project will vastly improve the current aesthetic of the tower, boosting the appearance of the City's downtown overall.

**MINORITY BENEFIT STATEMENT**

a. What is the percentage of the minority group(s) population residing in the community?	16.3 %
Identify the characteristics of the population of the project area by specific ethnic group. This information may be obtained from the most recent Census Data for the "applicant community." If submitting an "on behalf of" application for a project in an unincorporated area, use Census Data for the project's County.	

Racial Group	Total Persons	# of Hispanic / Latino Ethnicity
White	7694	2085
Black/African American	270	
Asian	128	
American Indian/Alaskan Native	128	
Native Hawaiian/Other Pacific Islander	0	
American Indian/Alaskan Native and White	27	
Asian and White	0	
Black/African American and White	159	
American Indian/Alaskan Native and Black/African American	0	
Other Individuals Reporting more than One Race	199	
# of Female Headed Households	492	

With the exception of "Female Heads of Households", the above numbers should equal the total number of persons to benefit from the project ("targeted" area).	
b. What is the goal for the percentage of funded contracts to be awarded to minority contractors?	15 %
c. If the percentage goal in <i>b</i> is <u>substantially less</u> than the percentage of minorities residing in the community, please explain. _____ _____	

Signature of Chief Elected Official or Executive:  Date 5-24-20



**PROJECT READINESS SUMMARY:**

---

The City of Rochelle is seeking Fast Track Public Infrastructure grant funds for a water system improvements project that includes the following components: Well Rehabilitation, Well House Construction, and Tower Painting. These water system improvements are necessary for the City to continue to provide a safe, reliable water source for the City.

**Status of Required Permits from State & Federal Agencies:**

The proposed project requires both an IEPA Construction Permit and an IDOT Utility Permit. Both of these permits have been obtained and copies are included in this grant application submittal.

**Full Control of the Right-of-Way/Easements:**

The City of Rochelle will continue to hold full control & ownership of the City's water system, as well as the right-of-way or easements needed to complete the work.

**Wastewater/Water Treatment Agreement:**

Not Applicable.

**Property Ownership Details:**

The City of Rochelle will continue to hold full control & ownership of the City's water system.

**Additional Funding Commitment:**

There is no additional funding for the proposed project.

**Status of Written Permission from Railroad, County Highway Commissioners, IDOT, etc. to proceed with any railroad and/or road borings that are proposed**

An IDOT Utility Permit was required for this project and it is included in the grant application.

**Project Phases**

This is not a phased project. The City will complete the project with one phase.

# **Documentation, Certifications, Resolutions:**

**LOCAL GOVERNMENT CERTIFICATIONS**

On this 21st of May, 2020 the City Manager, Jeff Fiegenschuh, of the City of Rochelle hereby certifies to the Department of Commerce and Economic Opportunity in regard to an application and award of funds through the Rebuild Illinois Grant that:

1. It confirms that no aspect of the project for assistance has or shall commence prior to the award of funds to the community and the receipt of an environmental clearance from the Department.
2. It will comply with the Interagency Wetland Policy Act of 1989 including the development of a plan to minimize adverse impacts on wetlands, or providing written evidence that the proposed project will not have an adverse impact on a wetland. It confirms that Project must also comply with Federal Wetlands Protection regulations at 24-CFR 58.5(b)(2) and Executive Order 11990, which may require preparation of an Eight-Step Wetlands Review.
3. It will comply with the Illinois Endangered Species Protection Act and the Illinois Natural Area Preservation Act by completing the consultation process with the Endangered Species Consultation Program of the Illinois Department of Natural Resources, or providing written evidence that the proposed project is exempt.
4. It will identify and document all appropriate permits necessary to the proposed project, including, but not limited to: building, construction, zoning, subdivision, IEPA and IDOT.
5. No legal actions are underway or being contemplated that would significantly impact the capacity of the City of Rochelle to effectively administer the program, and to fulfill the requirements of the program.
6. It will coordinate with the County Soil and Water Conservation District regarding standards for surface and sub-surface (tile) drainage restoration and erosion control in the fulfillment of any project utilizing Rebuild Illinois funds and involving construction.
7. It is understood that the obligation of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly or federal funding source fails to appropriate or otherwise make available sufficient funds for this agreement.
8. It acknowledges the applicability of Illinois prevailing wage rate requirements to construction projects; a wage rate determination must be obtained prior to commencement of any construction or equipment installation; and, it shall discuss these requirements with the contractor.
10. It will comply with OMB 2 CFR 200 and applicable areas of Illinois' Grant Accountability and Transparency Act (GATA).
11. The area, in whole or in part, in which project activities will take place, **IS** or **(IS NOT)** (circle one) located in a floodplain.

**A FEMA Floodplain map is included in the application (as required) and is located on Page 36**

If yes, does it participate in the National Flood Insurance Program? Yes  No

If no, provide an explanation as to why it does not participate: \_\_\_\_\_



Signature of Authorized Representative

5.24.20

Date

# Mandatory Disclosure

Award applicants and recipients of awards from the State of Illinois (collectively referred to herein as "Grantee") must disclose, in a timely manner and in writing to the State awarding agency, all violations of State or federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. See 30 ILCS 708/40; 44 Ill. Admin. Code § 7000.40(b)(4); 2 CFR § 200.113. Failure to make the required disclosures may result in remedial action.

Are there any violations of State or federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the awarding of a grant to your organization?  No  Yes

If there any violations of State or federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the awarding of a grant to your organization, please describe them all here:

Grantee has a continuing duty to disclose to the Department of Commerce and Economic Opportunity (the "Department") all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this grant award.

By signing this document, below, as the duly authorized representative of the Grantee, I hereby certify that:

- All of the statements in this Mandatory Disclosure form are true, complete and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, Section 1001).
- There is no action, suit or proceeding at law or in equity pending, nor to the best of Grantee's knowledge, threatened, against or affecting the Grantee, before any court or before any governmental or administrative agency, which will have a material adverse effect on the performance required by the grant award.
- Grantee is not currently operating under or subject to any cease and desist order, or subject to any informal or formal regulatory action, and, to the best of the Grantee's knowledge, it is not currently the subject of any investigation by any state or federal regulatory, law enforcement or legal authority.
- If Grantee becomes the subject of an action, suit or proceeding at law or in equity that would have a material adverse effect on the performance required by an award, or an investigation by any state or federal regulatory, law enforcement or legal authority, Grantee shall promptly notify the Department in writing.

Grantee Organization (Company Name) City of Rochelle



Signature of Authorized Representative

5-25-20

Date

JEFFREY A Fienman

Printed Name (Authorized Signator Name)

City Manager, City of Rochelle

Printed Title (Authorized Signator Title)

420-75-2411

CSFA Number

## Conflict of Interest Disclosure

Award applicants and recipients of awards from the State of Illinois (collectively referred to herein as "Grantee") must disclose in writing to the awarding State agency any actual or potential conflict of interest that could affect the State award for which the Grantee has applied or has received. See 30 ILCS 708/35; 44 Ill. Admin. Code § 7000.40(b)(3); 2 CFR § 200.112. A conflict of interest exists if an organization's officers, directors, agents, employees and/or their spouses or immediate family members use their position(s) for a purpose that is, or gives the appearance of, being motivated by a desire for a personal gain, financial or nonfinancial, whether direct or indirect, for themselves or others, particularly those with whom they have a family business or other close associations. In addition, the following conflict of interest standards apply to governmental and non-governmental entities.

### Definitions:

**Governmental Entity.** If the Grantee is a governmental entity, no officer or employee of the Grantee, member of its governing body or any other public official of the locality in which the award objectives will be carried out shall participate in any decision relating to a State award which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or which affects the personal interest of a spouse or immediate family member, or has any financial interest, direct or indirect, in the work to be performed under the State award.

**Non-governmental Entity.** If the Grantee is a non-governmental entity, no officer or employee of the Grantee shall participate in any decision relating to a State award which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or which affects the personal interest of a spouse or immediate family member, or has any financial interest, direct or indirect, in the work to be performed under the State award.

The Grantee shall also establish safeguards, evidenced by policies, rules and/or bylaws, to prohibit employees or officers of Grantee from engaging in actions, which create or which appear to create a conflict of interest as described herein.

**The Grantee has a continuing duty to immediately notify the Department of Commerce and Economic Opportunity (the "Department") in writing of any actual or potential conflict of interest, as well as any actions that create or which appear to create a conflict of interest.**

***Are there any current potential conflict(s) of interest, or any actions that create or which appear to create a conflict of interest, related to the State award for which your organization has applied?***

No

Yes

***If there are any current potential conflict(s) of interest, or any actions that create or which appear to create a conflict of interest, related to the State award for which your organization has applied, please describe them all here:***

If the Grantee provided information above regarding a current potential conflict of interest or any actions that create or appear to create a conflict of interest, the Grantee must immediately provide documentation to the applicable Department grant manager to support that the potential conflict of interest was appropriately handled by the Grantee's organization. If at any later time, the Grantee becomes aware of any actual or potential conflict of interest, the Grantee must notify the Department's grant manager immediately, and provide the same type of supporting documentation that describes how the conflict situation was or is being resolved.

Supporting documentation should include, but is not limited to, the following: the organization's bylaws; a list of board members; board meeting minutes; procedures to safeguard against the appearance of personal gain by the organization's officers, directors, agents, and family members; procedures detailing the proper internal controls in place; timesheets documenting time spent on the award; and bid documents supporting the selection of the contractor involved in the conflict, if applicable.

By signing this document, below, as the duly authorized representative of Grantee, I hereby certify that:

- All of the statements in this Conflict of Interest Disclosure form are true, complete and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, Section 1001).
- If I become aware of any situation that conflicts with any of the representations herein, or that might indicate a potential conflict of interest or create the appearance of a conflict of interest, I or another representative from my organization will immediately notify the Department's grant manager for this award.
- I have read and I understand the requirements for the Conflict of Interest Disclosure set forth herein, and I acknowledge that my organization is bound by these requirements.

Grantee Organization (Company Name) City of Rochelle



5.24.20

Signature of Authorized Representative

Date

Printed Title (Authorized Signator Title)

420-75-2411

Printed Name (Authorized Signator Name)

CSFA Number

# **Attachments:**









Compressor Panel  
Outdoor ops

Tower Lights  
4  
Panic Light

LOCKOUT STATION



Cutler-Hammer Westinghouse Series 2100 Motor Control

115V-120V-100 AMP 1500 RPM 30 500W 100% DUTY 100% 100% 100% 100%



**WARNING**  
ARC FLASH & SHOCK HAZARD  
APPROPRIATE PPE REQUIRED



ENGEL ELECTRIC  
1514 W. FOURTH ST.  
STANFORD, CA 94304  
915-828-9949



9760







DPO FREE CHLORINE  
2 HEALTH  
1 FLAMMABILITY  
0 REACTIVITY  
C PROTECTIVE EQUIPMENT  
DPO FREE CHLORINE  
MCL: 4.0 mg/L

Hefty

0420100  
Cl<sub>2</sub>  
Total Chlorine  
10.00 mg/L  
Lot Number  
Expiration Date  
Manufacturer  
Lot Number



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 North Grand Avenue, East; Post Office Box 19276; Springfield, IL 62794-9276

Division of Public Water Supplies

Telephone 217/782-1724

**PUBLIC WATER SUPPLY CONSTRUCTION PERMIT**

SUBJECT: ROCHELLE (IL1410500)

Permit Issued to:  
City of Rochelle  
888 Elliott's Way  
Rochelle, IL 61068

PERMIT NUMBER: 1312-FY2019

DATE ISSUED: October 2, 2019  
PERMIT TYPE: Plant Improvement

The issuance of this permit is based on plans and specifications prepared by the engineers/architects indicated, and are identified as follows. This permit is issued for the construction and/or installation of the public water supply improvements described in this document, in accordance with the provisions of the "Environmental Protection Act", Title IV, Sections 14 through 17, and Title X, Sections 39 and 40, and is subject to the conditions printed on the last page of this permit and the ADDITIONAL CONDITIONS listed below.

FIRM: Fehr Graham  
NUMBER OF PLAN SHEETS: 19  
TITLE OF PLANS: "Proposed Well House No. 4"

PROPOSED IMPROVEMENTS:

\*\*\*Convert Well #4 to utilize pitless adaptor. Construct a new well house. Install a sodium hypochlorite feed system consisting of a chemical feed pump (maximum capacity of 2 gph), scale, and complete with piping, controls and appurtenances. Install a fluoridation feed system consisting of a chemical feed pump (maximum capacity of 2 gph), scale, and complete with piping, controls and appurtenances. Install a blended phosphate feed system consisting of a chemical feed pump (maximum capacity of 2 gph), scale, and complete with piping, controls and appurtenances. Install approximately 345 feet of 12-inch raw water main and 180 feet of 12-inch potable water main.\*\*\*

ADDITIONAL CONDITIONS:

1. There are no further conditions to this permit.

DCC:GAZ

cc: Fehr Graham  
Rockford Regional Office



---

David C. Cook, P.E.  
Manager Permit Section  
Division of Public Water Supplies



# Illinois Department of Transportation

Office of Highways Project Implementation / Region 2 / District 2  
819 Depot Avenue / Dixon, Illinois 61021-3500

## PROGRAM DEVELOPMENT

Project Support

Route: IL 251

County: Ogle

Description: Watermain installation from Lincoln Ave. to 1<sup>st</sup> Ave., Rochelle

January 13, 2020

Rochelle Municipal Utilities  
333 Lincoln Highway #1684  
Rochelle, Illinois 61068

Dear Permit Applicant:

Enclosed is your approved copy of Utility Permit, District Serial No. **2-20-017**. This permit allows you to proceed immediately with the proposed construction you requested to perform in, upon, along or under a State maintained roadway, as noted therein. This permit in no way presumes to release you from conforming with County or Municipal zoning regulations.

When the work is completed and the right-of-way is restored, please sign this letter as indicated below and return it to this office via mail or email at [DOT.D2.Permits@illinois.gov](mailto:DOT.D2.Permits@illinois.gov). The letter must be returned within **180 days** of the date of issuance, unless a time extension is given, otherwise the permit becomes null and void.

Please request clarification of the permit in the event the terms and specifications are not clear.

If you have any questions, please contact Dan Long, Project Support Engineer at (815) 284-5353.

Sincerely,

Masood Ahmad, P.E.  
Region Two Engineer

By: Rebecca Marruffo, P.E.  
Engineer of Program Development

DL.f.d.ps22  
Enclosures

Completed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Signed \_\_\_\_\_



Utility Permit



8/26/19

Public Improvement  Yes  No

IDOT Permit No. 220017

Utility Reference No.

Name of Applicant

I (We) Rochelle Municipal Utilities

Address 333 Lincoln Highway #1684 City Rochelle State IL Zip Code 61068

hereinafter termed the Permittee, request permission and authority to occupy, and to do certain work herein described on, the right-of-way of the State highway known as IL Route 251 (N 7th St), Section from Lincoln Avenue to 1st Avenue in Ogle County.

The work is described in detail below and/or on the attached sketch or plans.

Latitude/Longitude: From 41.920806, -89.068708 To 41.920123, -89.068703

(WATERMAIN) The work to be completed in the Right-Of-Way of Illinois Route 251 & 38 includes a 12" water main, with a minimum bury depth of 5.5', to the new well house from Well #4. The utility will be going under the IL Route 251 & 38 overpass. The water main will cross following 2nd Avenue. All new water main shall be in accordance with the Standard Specifications for water & Sewer Main Construction. All turf areas that were disturbed during the course of work shall be restored to the original line & grade & be promptly re-seeded in a timely matter. This includes wheel rutting.

This permit covers the operation and presence of specified equipment, material or facility on the right-of-way that may be related to the authorized work. A copy of this permit must be present when crews or equipment occupy highway right-of way. Failure to comply may result in the cessation of all construction.

This permit is subject to conditions and restrictions of Part 530 of Title 92 of the Illinois Administrative Code, Accommodation of Utilities on Right-of-Way of the Illinois State Highway System. The removal, relocation or modification of facilities permitted to occupy the right-of-way is governed by Section 9-113 of the Illinois Highway Code, as amended by Public Act 92-0470. The Permittee agrees to comply with the requirements of these laws and with all terms and conditions established by this permit. This permit is subject to revocation by the Department on violation of the terms and conditions governing its use.

\*Excavation required under structure.

Signature of Agent for Permittee [Signature] Date

Name Adam Lanning

Address 333 Lincoln Highway #1684

City Rochelle State IL Zip Code 61068

The work authorized by this permit shall be completed by or within 180 days after the date of approval by the Department, otherwise the permit will be considered null and void.

Public Improvement Projects only: The anticipated letting date is

The permit allowing occupancy and work on state right-of-way is approved. The Utility Coordination Council established by the Department in the area covered by this permit is The Dixon Utility Coordination Council

Department of Transportation [Signature] Date 1-10-20

This permit is subject to the conditions and restrictions established in accordance with the Illinois Highway Code and Part 530 of Title 92 of the Illinois Administrative Code including but not limited to the following:

- (1) The applicant represents all parties in interest and shall furnish material, do all work, pay all costs and shall in a reasonable length of time restore the damaged portions of the highway to a condition similar or equal to that existing before the commencement of the described work, including any landscape restoration necessary. (See Section 530.250 of Title 92).
- (2) The proposed work shall be located and constructed to the satisfaction of the Regional Engineer or his duly authorized representative. No revisions or additions shall be made to the proposed work on the right-of-way without the written permission of the Regional Engineer or his duly authorized representative (See Section 530.200 of Title 92). In certain circumstances the Department may require that the construction plans and/or the as-built documents be sealed by an Illinois Registered Professional Engineer. Typical of such projects would be petroleum or gas pipelines.
- (3) The applicant shall at all times conduct the work in such a manner as to minimize hazards to vehicular and pedestrian traffic. All signs, barricades, flaggers, etc., required for traffic control shall be furnished by the applicant. (See Section 530.240 of Title 92).
- (4) The applicant must ascertain the presence of Highway Authority Agreements established in accordance with 35 Ill. Admin. Code Section 742.1020 in the path of its proposed installation and take precautions to protect its workers, human health and the environment in those areas. (See Section 530.240 of Title 92). Where contamination is encountered through excavation in the ROW, it should be managed offsite and IDOT's generator number for the appropriate county may be used.
- (5) The applicant shall not trim, cut or in any way disturb any trees or shrubbery along the highway without the approval of the Regional Engineer or his duly authorized representative. (See Section 530.600 of Title 92).
- (6) The facilities authorized to occupy the right-of-way by this permit are subject to removal, relocation or modification by the permittee at no expense to the State on notice given by the Department in accordance with Section 9-113 of the Illinois Highway Code, as amended. Participation by the permittee in the UTILITY Coordination Council identified on page one of this permit is required as a condition of this permit. Permittee shall cooperate with the Department with the scheduling of any removal, relocation or modification deemed necessary for highway or highway safety purposes, and, if Utility Coordination Council participation is required by this permit, with the activities of the council identified on the first page of this permit. (See Section 9-113 of the Illinois Highway Code.) Use of and compliance with current IDOT Traffic Control Standards will be required.
- (7) If the applicant and the District cannot agree either on whether the permit should be issued or on what conditions would be appropriate, the applicant may, within 30 days of the issuance of written notice of the District's position, appeal the District's determination to the Chief of the Department's Central Bureau of Operations. (See Section 530.900 of Title 92).
- (8) The permittee agrees to fully comply with the following legal obligations in advance of entering and while upon any Right-of-way within the Illinois State Highway System.
  - a) Only a permit issued by the Department under this Part will satisfy the "written consent" requirement of Section 9-113 of the Illinois Highway Code (the Code).
  - b) A permit from the Department grants a license only to undertake certain activities in accordance with this Part on a State right-of-way, and does not create a property right or grant authority to the permittee to impinge on the rights of others who may have an interest in the right-of-way. Such others might include an owner of an underlying fee simple interest if the right-of-way is owned as an easement or dedication of right of way, an owner of an easement, or another permittee.
  - c) It shall be the responsibility of the permittee to ascertain the presence and location of existing above-ground or underground facilities on the highway right-of-way to be occupied by their proposed facilities. The Department will make its permit records available to a permittee for the purpose of identifying possible facilities. When notified of an excavation or when requested by the Department, a permittee shall locate, physically mark, and indicate the depth of its underground facilities within 48 hours excluding weekends and holidays.
  - d) The permittee shall avoid conflicts with any existing underground or above-ground facilities on or near the highway right-of-way. Both the Department and J.U.L.I.E. are to be contacted for assistance during the application process.
  - e) The permittee shall comply with all other applicable laws relating to the placement of utility lines.
  - f) The issuance of a utility permit by the Department does not excuse the permittee from complying with any existing statutes, local regulations or requirements of other Department (e.g., oversize and overweight vehicles) or the requirements of other State agencies including, but not limited to, the following:  
 Illinois Commerce Commission, Illinois Department of Agriculture  
 Illinois Department of Natural Resources, Illinois Department of Mines and Minerals  
 Illinois Environmental Protection Agency, Illinois Historic Preservation Agency
  - g) Rights of abutting and underlying property owners are protected by common law and Sections 9-113 and 9-127 of the Code. The permittee will address these rights prior to initiating activities on State right-of-way. The Department will not be a party in any negotiations between the utility and abutting property owners.
  - h) In no case shall the permit give or be construed to give an entity any easement, leasehold or other property interest of any kind in, upon, under, above or along the State highway right-of-way.
  - i) Each person responsible for a utility, in place on the effective date of this Part, on a State highway right-of-way shall notify the Department in writing, if that facility does not comply with this Part. The Department shall treat such a notice as a request for a variance under Section 530.130. Until informed that a variance will not be granted, a person responsible for a pre-existing utility will not be in violation of this Part. The failure to provide such notice constitutes a violation of this Part and of the utility accommodation permit (if any) and would justify the imposition of the sanctions set forth in Section 530.810.

Work to be coordinated with Department Representatives:

Traffic Control - Kevin Henson	Phone 815. 284. 5474
Permit Tech - Ryan Renkes	Phone 815. 284. 5471
Utility Contact Person/Email Adam Lanning	Phone (815) 561-2065

Work to be done by:

Contractor

Daytime Phone  Emergency Phone


Traffic control operation:

Number of lane closures  Time of closures   
 0 Lane Closures

Call JULIE at 1-800-892-0123 before any excavation or sign installations.

The Illinois Department of Transportation is **NOT** a member of JULIE. If you are near any overhead lighting, intersection lighting or traffic signals, contact the IDOT Traffic Office at 815-284-5469 at least 48 hour prior to work.

**APWA UNIFORM COLOR CODE  
FOR MARKING UNDERGROUND FACILITIES**



**CALL  
BEFORE YOU DIG!**

**Dig Safely.**

**1-800-892-0123**

**JULIE**

***The Illinois One-Call System***

**PROPOSED  
EXCAVATION**

**TEMP. SURVEY  
MARKINGS**

**ELECTRIC**

**GAS - OIL  
STEAM**

**COMMUNICATION  
CATV**

**WATER**

**RECLAIMED  
WATER**

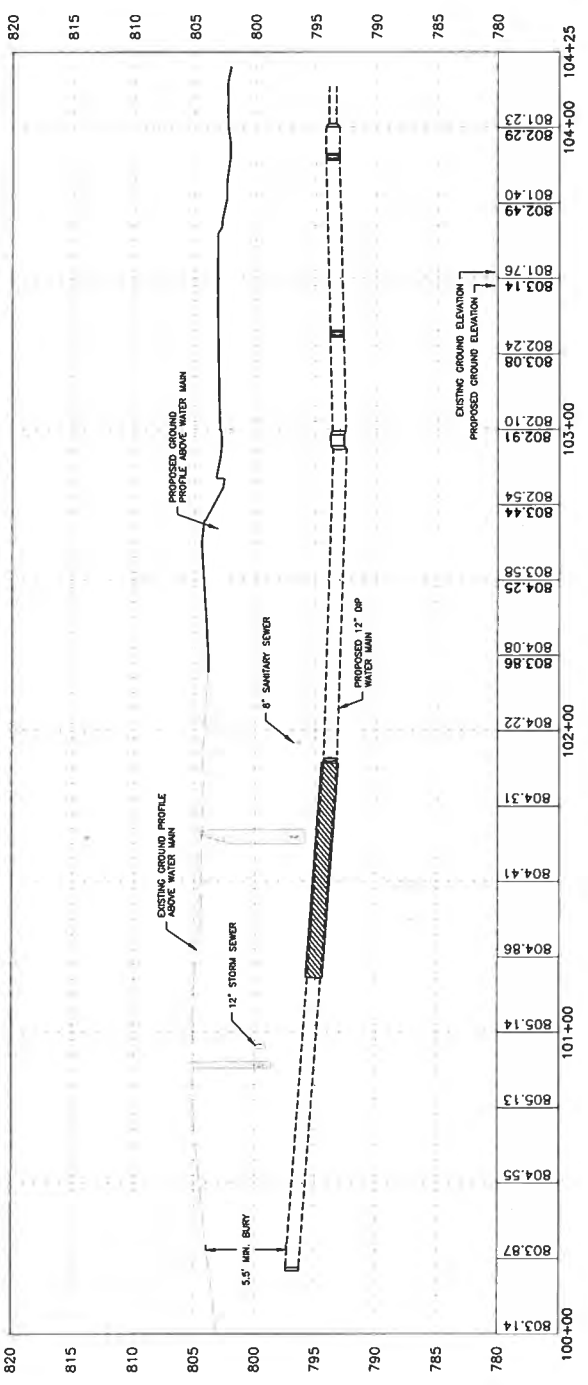
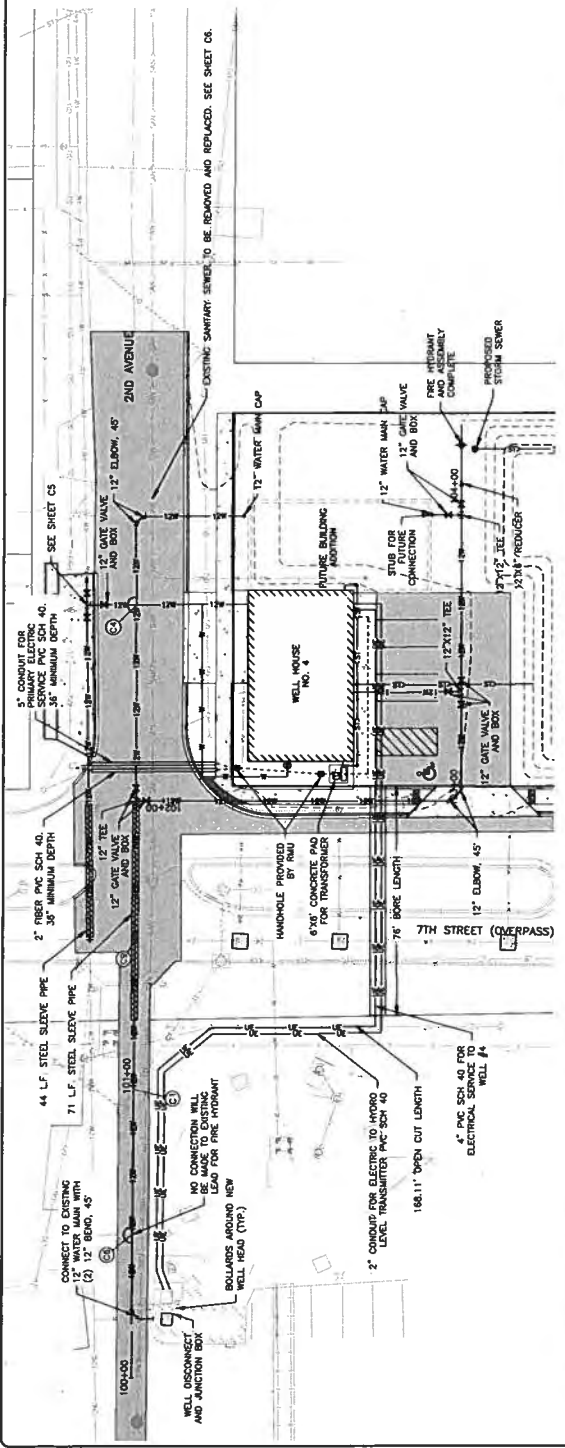
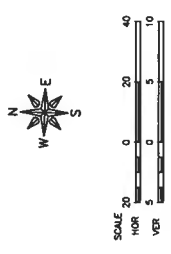
**SEWER**

As per Article 107.09 of the Standard Specifications for Road and Bridge Construction:

- On weekends, excluding holidays, roadways with Average Daily Traffic of 25,000 or greater, all lanes shall be open to traffic from 3:00 P.M. Friday to midnight Sunday except where structure construction or major rehabilitation makes it impractical.
- No broken pavement, open holes, trenches, barricades, cones, or drums will remain on or adjacent to the traveled way and all lanes shall be opened to traffic during any legal holiday period, except where major bridge construction and/or other roadway reconstruction (excluding patching and resurfacing) requiring overnight lane closures would make it impractical. The legal holidays will include:

New Year's Day	Easter	Memorial Day	Independence Day
Labor Day	Thanksgiving Day	Christmas Day	

Day of Holiday	Length of Holiday Period
Sunday	3 P.M. Friday to 11:59 P.M. Monday
Monday	3 P.M. Friday to 11:59 P.M. Monday
Tuesday	3 P.M. Friday to 11:59 P.M. Tuesday
Wednesday	3 P.M. Tuesday to 11:59 P.M. Wednesday
Thursday	3 P.M. Wednesday to 11:59 P.M. Sunday
Friday	3 P.M. Thursday to 11:59 P.M. Sunday
Saturday	3 P.M. Thursday to 11:59 P.M. Sunday



UTILITY CROSSING TABLE

CROSSING	INVERT OF UPPER PIPE	ELEVATION	CROWN OF LOWER PIPE	ELEVATION
C1	EXISTING 12" STORM	798.07	PROPOSED 12" WATER MAIN	796.00
C4	PROPOSED 12" WATER MAIN (UNBUILT)	798.08	PROPOSED 12" WATER MAIN	794.42
C6	EXISTING 12" WATER MAIN	798.48	PROPOSED 12" WATER MAIN	796.98
C9	EXISTING 6" WATER MAIN	798.41	PROPOSED 12" WATER MAIN	795.17

**FEHR GRAHAM**  
ENGINEERING & ENVIRONMENTAL

ILLINOIS  
IOWA  
WISCONSIN

NOV 08 17:09 © 2020 FEHR GRAHAM

PROJECT AND LOCATION:  
ROCHELLE MUNICIPAL UTILITIES  
333 LINCOLN HIGHWAY  
ROCHELLE, IL 61068

DESIGNED BY: T.J. JOHNSON  
CHECKED BY: J.S. JOHNSON  
DATE: 10/09/18  
SCALE: AS NOTED

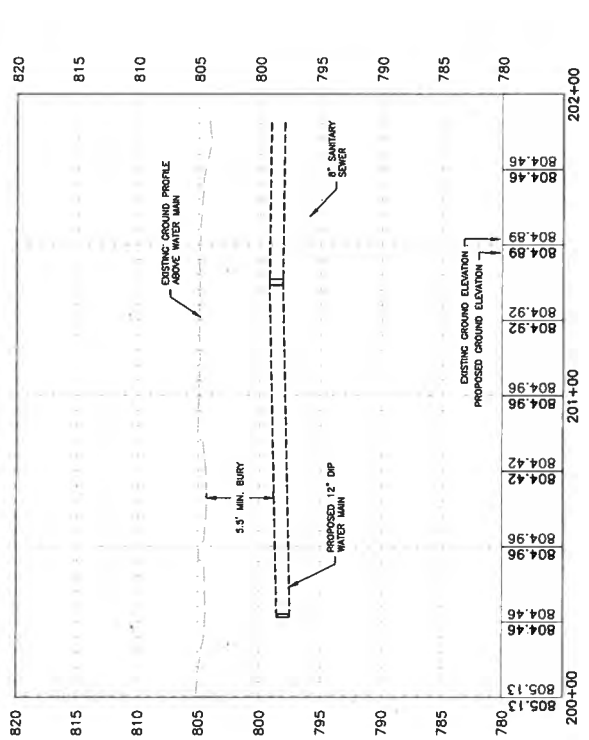
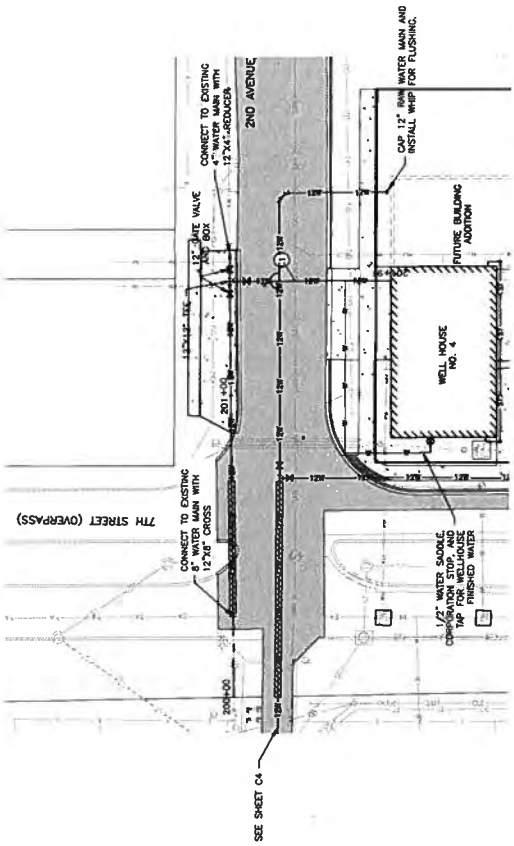
REVISIONS:

REV. NO.	DATE	DESCRIPTION
1	8/14/18	PER COMMENTS
2	11/14/18	ADDRESS 2
3	01/10/19	PER COMMENTS

PROJECT NO.: 104+00 TO 105+00  
PROPOSED WATER MAIN  
STA 100+00 TO 105+00

JOB NUMBER:  
18-1086

C4



UTILITY CROSSING TABLE

CROSSING	UPPER PIPE	ELEVATION	LOWER PIPE	ELEVATION
C11	PROPOSED 12" WATER MAIN	798.09	EXISTING 8" SANITARY	798.43

OWNER: PROPOSED WATER MAIN STA. 200+00 TO 203+00  
 SET TYPE: FOR BID  
 JOB NUMBER: 18-1096  
 C5

REVISIONS

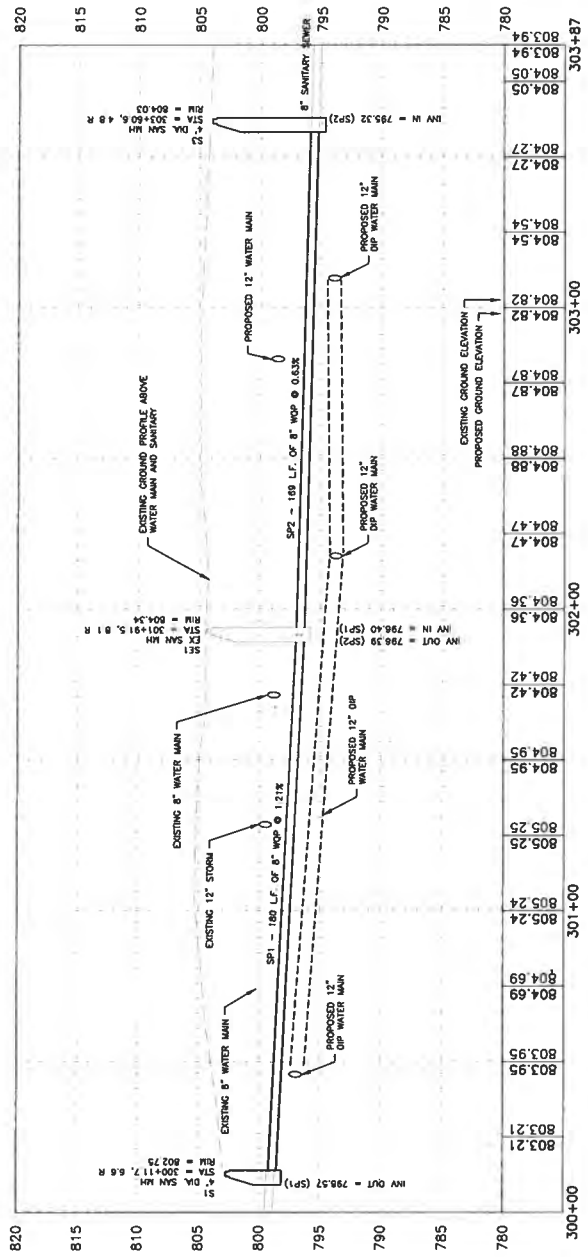
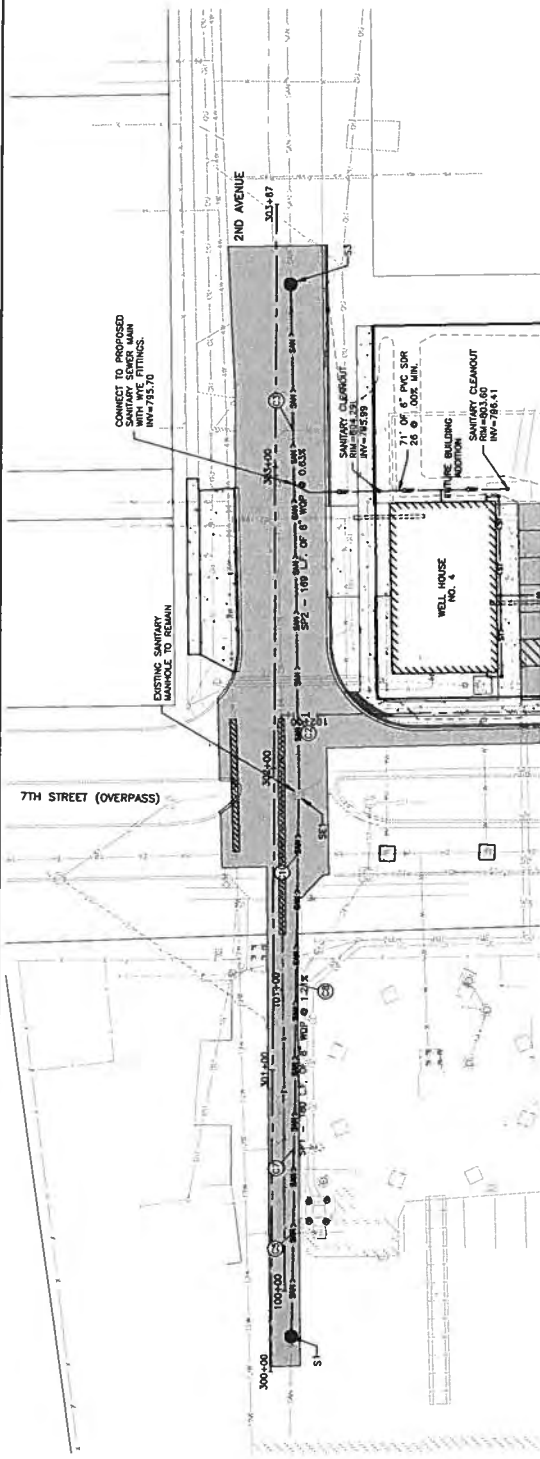
REV. NO.	DATE	DESCRIPTION
1	8/1/19	GEN. CONDITIONS
2	07/12/19	GEN. CONDITIONS

DESIGNED BY: YJ  
 APPROVED BY: JS  
 DATE: 10/09/19  
 SCALE: AS NOTED

PROJECT AND LOCATION:  
 PROPOSED WELL HOUSE NO. 4  
 ROCHELLE, ILLINOIS

OWNER/ENGINEER:  
 ROCHELLE MUNICIPAL UTILITIES  
 333 LINCOLN HIGHWAY  
 ROCHELLE, IL 61088

**FEHR GRAHAM**  
 ENGINEERING & ENVIRONMENTAL  
 ILLINOIS IOWA WISCONSIN  
 LICENSE NUMBER ILL. NO. 18-00333  
 DATE: 10/19/19 © 2020 FEHR GRAHAM



UTILITY CROSSING TABLE

CROSSING	INVERT OF UPPER PIPE	ELEVATION	CROWN OF LOWER PIPE	ELEVATION
C2	EXISTING 8" SANITARY	796.21	PROPOSED 12" WATER MAIN	794.30
C3	EXISTING 8" SANITARY	795.57	PROPOSED 12" WATER MAIN	794.00
C3	PROPOSED 8" SANITARY	798.24	PROPOSED 12" WATER MAIN	797.47
C7	EXISTING 8" WATER MAIN	799.30	PROPOSED 8" SANITARY	798.55
C8	EXISTING 12" STORM	798.02	PROPOSED 8" SANITARY	797.66
C10	EXISTING 8" WATER MAIN	798.36	PROPOSED 8" SANITARY	797.32

REVISIONS

REV. NO.	DATE	DESCRIPTION
1	10/09/19	FOR COMMENTS
2	01/07/20	FOR COMMENTS

DESIGNED BY: JI  
 APPROVED BY: JS  
 DATE: 10/09/19  
 SCALE: AS NOTED

PROJECT AND LOCATION:  
 PROPOSED WELL HOUSE NO. 4  
 ROCHELLE, ILLINOIS

CLIENT/OWNER:  
 ROCHELLE MUNICIPAL UTILITIES  
 333 LINCOLN HIGHWAY  
 ROCHELLE, IL 61068

ILLINOIS  
 IOWA  
 WISCONSIN

**FEHR GRAHAM**  
 ENGINEERING & ENVIRONMENTAL  
 1400 SOUTH MAIN ST., SUITE 200  
 ROCKFORD, ILLINOIS 61102  
 TEL: 815.398.7700 FAX: 815.398.7701  
 WWW.FEHRGRAHAM.COM

JOB NUMBER:  
 18-1086

PROPOSED SANITARY STA. 300+00 TO 303+87.13  
 SET TYPE: FOR BID

C6

## Request for Taxpayer Identification Number and Certification

**Give Form to the  
 requester. Do not  
 send to the IRS.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>City of Rochelle, Illinois</b>	
	2 Business name/disregarded entity name, if different from above <b>City of Rochelle</b>	
	3 Check appropriate box for federal tax classification; check only <b>one</b> of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <b>Note.</b> For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input checked="" type="checkbox"/> Other (see instructions) ▶ <b>Governmental</b>	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>	
	5 Address (number, street, and apt. or suite no.) <b>420 N. 6th Street</b>	
	6 City, state, and ZIP code <b>Rochelle, Illinois 61068</b>	
	7 List account number(s) here (optional)	

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

<b>Social security number</b>									
<b>or</b>									
<b>Employer identification number</b>									
3	6	-	6	0	0	6	0	7	5

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶ <b>5-24-20</b>
------------------	----------------------------	-----------------------

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.*

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

**Note.** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

## What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

**a. Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note. ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

**b. Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

**c. Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

**d. Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

**e. Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

**Line 2**

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

**Line 3**

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

**Limited Liability Company (LLC).** If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

**Line 4, Exemptions**

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

**Exempt payee code.**

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
  - I—A common trust fund as defined in section 584(a)
  - J—A bank as defined in section 581
  - K—A broker
  - L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
  - M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note.** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

**Line 5**

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

**Line 6**

Enter your city, state, and ZIP code.

**Part I. Taxpayer Identification Number (TIN)**

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [irs.gov](http://irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

**Part II. Certification**

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

1. **Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.
2. **Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.
3. **Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.
4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).
5. **Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee <sup>1</sup>  The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>2</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor <sup>1</sup>
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>1</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.  
<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

\*Note. Grantor also must provide a Form W-9 to trustee of trust.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records from Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN.
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

**Privacy Act Notice**

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

[View assistance for Entity Registrations~Existing Entity Registrations](#)

**Search by Legal Business Name**

Use this field to search the entities with which you have roles by Legal Business Name. This is the name registered for the organization at Dun & Bradstreet (D&B). It is your responsibility to keep this information updated at D&B. Any results that match your search will display on the Entity List.

ALERT - June 11, 2018: Entities registering in SAM must submit a [notarized letter](#) appointing their authorized Entity Administrator. Read our [updated FAQs](#) to learn more about changes to the notarized letter review process and other system improvements.

# MY SAM

## Entity Registrations

- [My User Roles](#)
- [Entity Users](#)
- [Entity Registrations](#)
  - [Existing Entity Registrations](#)
  - [Register New Entity](#)
  - [BioPreferred Reporting](#)
- [My Account Settings](#)
- [My Data Access](#)
- [General](#)

### Existing Entity Registrations

**Page Description**

This page allows you to manage your existing entity registrations regardless of the record status. The Entity List contains all entities with which you have user roles. You can search for entities within this list or simply select the entity for which you want to view, update, delete, or deactivate a registration record.

Once you select an entity, your registration details will display in either the Registration Details for Complete Record section or the Registration Details for Incomplete Record section. If you started an update to either an active or inactive registration record, you will find registration details in both sections. Check the Registration Status, then select the action you wish to take.

For keyboard only users, please tab to the desired entity and then press the Enter key to expand the child entities. Press the space bar to select an entity from the Entity List and the details will display in the appropriate Registration Details table.

To register a new entity in SAM, select the Register New Entity link from the sub-navigation menu.

**IMPORTANT:** If you navigate away from a page during the registration process without selecting Save and Continue, the information entered on the page will NOT be saved, you must select Save and Continue on every page.

**Search for an Entity :**

Legal Business Name:

DUNS Number:

CAGE/NCAGE Code:

[Download Your Active SAM Registrations \(XML\)](#)  
[Download Your Expired SAM Registrations \(XML\)](#)

Entity List	
•	<a href="#">ROCHELLE CITY OF (010231009)</a>
•	<a href="#">ROCHELLE, CITY OF (055346063)</a>
•	<a href="#">ROCHELLE, CITY OF (114431898)</a>
•	<a href="#">ROCHELLE, CITY OF (195302831)</a>
•	<a href="#">ROCHELLE, CITY OF (617896089)</a>
•	<a href="#">ROCHELLE, CITY OF (781970454)</a>
•	<a href="#">ROCHELLE, CITY OF (926422916)</a>
•	<a href="#">ROCHELLE, CITY OF (966421828)</a>
•	<a href="#">ROCHELLE, CITY OF (786549162)</a>

Registration Details for Complete Record	Registration Details for Incomplete Record
<p><b>Entity Name:</b> ROCHELLE, CITY OF</p> <p>DUNS Number: 010231009</p> <p>CAGE: 5KG32</p> <p>Address:</p> <p style="margin-left: 20px;">420 NORTH 6TH ST ROCHELLE, IL 61068-1540 UNITED STATES</p> <p>Purpose of Registration: Federal Assistance Awards</p>	<p>Your entity registration is Active. Please select Update Entity from Registration Details for Complete Record if you want to update or renew it.</p>

Registration Status:	Active
Expiration Date:	03/27/2019
Address Update Required:	No
<a href="#">UPDATE ENTITY</a>	<a href="#">VIEW</a>
<a href="#">DEACTIVATE</a>	

**Search by Legal Business Name**

Use this field to search the entities with which you have roles by Legal Business Name. This is the name registered for the organization at Dun & Bradstreet (D&B). It is your responsibility to keep this information updated at D&B. Any results that match your search will be displayed in the Entity List.



IBM v1.0 16.20180227-0955  
WWW3

- Search Records
- Data Access
- Check Status
- About
- Help
- Disclaimers
- Accessibility
- Privacy Policy
- FAPIS.gov
- GSA.gov/IAE
- GSA.gov
- USA.gov

## Illinois Grant Accountability and Transparency Act Grantee Portal - Main Menu

[Sign out](#)

Organization: **City of Rochelle** [Edit](#)

GATA ID: **676492**

State cognizant agency: **Transportation (494)**

Contact for assistance: **[DOT.GATA@illinois.gov](mailto:DOT.GATA@illinois.gov)**

You are signed in as: **chriscardott1 (ccardott@rochelleil.us)**

**Notes and Comments** [Add Note](#)

Post notes for other portal users in your organization. State agency staff can also view and create notes.

### Pre-Qualification Status

**Your organization is currently in good standing with all pre-qualification requirements.**

Requirement	Status	Remediation
SAM.gov Account	Good	<a href="#">Help</a>
Federal Employer ID (FEIN)	Good	<a href="#">Help</a>
Federal Excluded Parties List	Good	<a href="#">Help</a>
Illinois Secretary of State	Good	<a href="#">Help</a>
Illinois Stop Payment List	Good	<a href="#">Help</a>
Illinois DHFS Sanction List	Good	<a href="#">Help</a>

Your organization must remain in good standing in all pre-qualification requirements. The status of these requirements are validated nightly. Notifications when changes occur to the pre-qualification status can be emailed to Grantee Portal Access users by clicking the "Manage" button below.

### Fiscal and Administrative Internal Controls Questionnaire (ICQ)

ICQ	State FY	Date Started	Date Submitted	Date Accepted
Select	2019	05-25-2018	06/25-2018	06-26-2018
Select	2018	05-08-2017	06/26-2017	06-27-2017
Select	2017	07-07-2016	08/26-2016	08-26-2016

An ICQ is required for each state fiscal year your organization does business with the State of Illinois. For example, state FY 2018 which begins on 7/1/2017 and runs through 6/30/2018 requires an FY 2018 ICQ. Notifications when changes occur to an ICQ status can be emailed to Grantee Portal Access users by clicking the "Manage" button below.

### Notice Of State Awards (NOSA)

No pending Notice of State Awards.

[Click to view previous Notice of State Awards](#)

Notice of State Awards require the ability to view PDF files. [Click here](#) for assistance.

### Active Audit Reviews

Audit	Audit ID	Status	Status Description
<a href="#">View</a>	10826	Under Review	The audit package is currently under review.

[Click to view a list of all audit reviews](#)

[Federal Uniform Guidance and Illinois GATA audit requirements.](#)

### Grantee Portal Access

[Manage](#)

User Name	First Name	Last Name	Email	Portal Access
chriscardott1	Chris	Cardott	ccardott@rochelleil.us	08-01-2018 02:12 PM

User Name	First Name	Last Name	Email	Portal Access
Ellen.Burgeson	Ellen	Burgeson	ehbconsult@aol.com	11-30-2017 05:10 PM
ncarmichael	Noah	Carmichael	ncarmichael@fehr-graham.com	04-05-2018 11:51 AM
suemesser59	Sue	Messer	smesser@rochelleil.us	05-08-2017 12:07 PM
santesreau99	Sam	Tesreau	stesreau@rochelleil.us	08-01-2017 12:06 PM

To manage alerts and notifications, click the "Manage" button then the "Select" button next to the user.

### Organization Contacts

**Manage**

Name	Title	Email	Roles	Responsibilities
Chris Cardott	Finance Director	ccardott@rochelleil.us	CFO	
Sue Messer	City Manager	smesser@rochelleil.us	CEO	
Sam Tesreau	City Engineer	stesreau@rochelleil.us	Program Director	Indirect cost rate

For questions or problems first [click here](#) to refer to the [Grantee Portal FAQs](#)  
For other issues please email [DOT.GATA@illinois.gov](mailto:DOT.GATA@illinois.gov) with the subject "Grantee Portal"



**Department of the Treasury**  
**Internal Revenue Service**  
**CINCINNATI, OH 45999**

In reply refer to: 0248837311  
Jun 14, 2017 LTR 147C  
36-6006075

CITY OF ROCHELLE  
OFFICE OF CITY CLERK  
420 N 6TH ST  
ROCHELLE IL 61068-1540 207

Taxpayer Identification Number: 36-6006075

Form(s):

Dear Taxpayer:

Thank you for your telephone inquiry of June 14th, 2017.

Your Employer Identification Number (EIN) is 36-6006075. Please keep this letter in your permanent records. Enter your name and your EIN on all business federal tax forms and on related correspondence.

If you have any questions regarding this letter, please call our Customer Service Department at 1-800-829-0115 between the hours of 7:00 AM and 7:00 PM. If you prefer, you may write to us at the address shown at the top of the first page of this letter. When you write, please include a telephone number where you may be reached and the best time to call.

Sincerely,

MR RUCKER  
1000196477  
Customer Service Representative

# City of Rochelle, Illinois

Comprehensive Annual Financial Report  
For the Year Ended  
December 31, 2018



Prepared by:  
Finance Department

**Chris Cardott**  
Finance Director

**CITY OF ROCHELLE, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2018

Prepared by  
Finance Department

Chris Cardott  
Finance Director

**CITY OF ROCHELLE, ILLINOIS**  
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CITY OF ROCHELLE, ILLINOIS

List of Elected and Appointed Officers and Officials

December 31, 2018

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**Mayor**

Chet Olson

**City Council**

Don Burke

John Bearrows

Bil Hayes

Kathryn Shaw-Dickey

Dan McDermott

Tom McDermott

**City Clerk**

Sue Messer

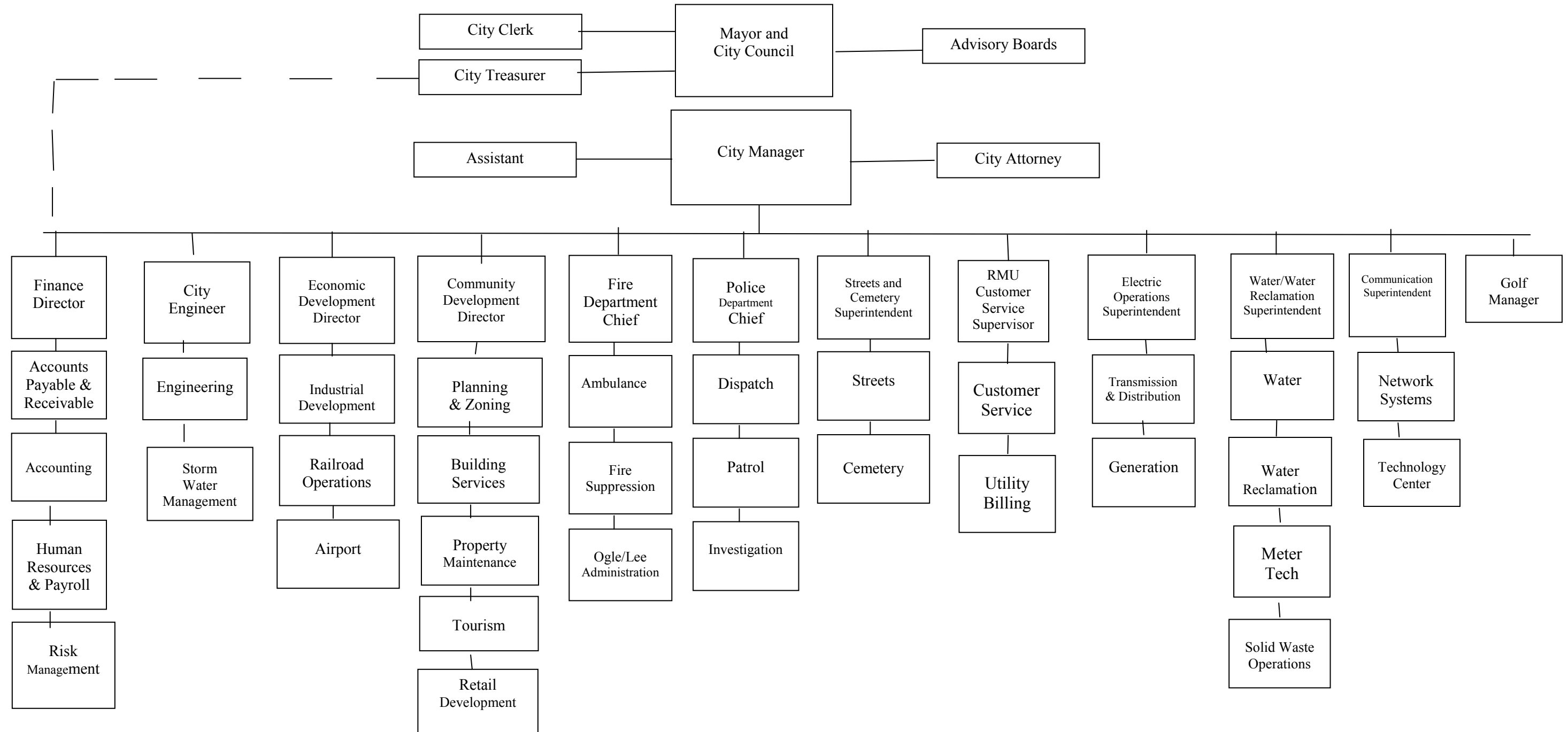
**City Manager**

Jeff Fiegenschuh

**Finance Director**

Chris Cardott

CITY OF ROCHELLE  
Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Rochelle**  
**Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO



420 N 6<sup>th</sup> Street | Rochelle, Illinois | [www.cityofrochelle.net](http://www.cityofrochelle.net)

July 16, 2019

Mayor John Bearrows & Rochelle City Council  
Citizens of Rochelle

Submitted for your review and consideration is the Comprehensive Annual Financial Report (CAFR) of the City of Rochelle, for the calendar year ended December 31, 2018. Illinois State Statute requires that municipal governments, following the close of each fiscal year, publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants. This Comprehensive Annual Financial Report was prepared by the City's Administrative Services Department and is issued by the City of Rochelle in response to this requirement.

We believe the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and capital assets of the City. All disclosures needed to enable the reader to understand the City's financial activities have been included. The organization and content of the report follows the standards for annual financial reporting promulgated by the Governmental Accounting Standards Board (GASB).

To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework to protect the assets of the City and to compile sufficiently reliable information for the preparation of the City of Rochelle's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control framework has been designated to provide reasonable rather than absolute assurance that the financial statements are free from material misstatements. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Rochelle for the calendar year ended December 31, 2018, are free from material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluation of the overall financial statement presentation.

The independent auditors concluded, based on their audit procedures, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the calendar year ended December 31, 2018, are presented fairly and in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental Accounting Standards Board Statement Number 34 requires that the City provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A is found immediately following the report of the independent auditors.

## **PROFILE OF THE CITY OF ROCHELLE**

The City of Rochelle, a non-home rule community as defined by the Illinois Constitution, was founded in 1853 and is located 80 miles west of Chicago, with quick access to state and interstate highways. Population as reported by the 2010 census is 9,491. The total population decreased 3.2% between 2010 and 2016 but is projected to increase 3.0% between 2016 and 2021. The fastest-growing age group in Rochelle was those 65 years of age and older. The median age in Rochelle (36.3) was lower than in Ogle County (41.1). The City of Rochelle is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done as economic development warrants.

The employment sectors with the largest share of employment for Rochelle residents included manufacturing, health care, and social assistance. The employment sectors with the highest projected growth in Rochelle are retail trade and transportation/warehousing.

The City of Rochelle operates under the Council-Manager form of government that was approved by public referendum in 1994. This form of government combines the strong political leadership of elected officials with the strong managerial experience of an appointed city manager. All power and authority to set policy rests with an elected governing body which includes a mayor or chairperson and members of the council. The governing body hires a nonpartisan manager who has very broad authority to run the organization in a transparent, responsive, and accountable structure. The City Manager prepares a budget for the Council's consideration; recruits, hires, terminates, and supervises government staff; serves as the Council's chief advisor; and carries out the Council's policies and the City's adopted Strategic Plan and Performance Measures.

Rochelle Municipal Utilities (RMU) (circa 1896) provides reliable and cost-effective electric, water, water reclamation, and advanced communication services. The Rochelle Municipal Airport and City Industrial Short Line Railroad (CIR) are additional enterprises. Beyond these general activities, the Police and Fire Pension Plans have also been included in the reporting entity in accordance with GAAP.

The City Council is required to adopt an initial budget for the calendar year no later than December 31 preceding the beginning of the calendar year on January 1. This annual budget together with the Strategic Plan serve as the foundation for the City's financial plan and organizational strategy. The budget is prepared by fund and department. Department heads may transfer resources within a department as they deem necessary. The City Manager may transfer resources between departments; however, transfers between funds require approval by the City Council.

## **MISSION, VISION, AND GOALS**

**Mission.** To provide a safe, connected and innovative community with professional, personalized and impartial services.

**Vision.** A vibrant community where all can thrive.

**Values.** The City of Rochelle's Strategic Plan is guided by three fundamental elements: our mission, our vision, and our core values. Our Mission Statement is based on the principles of high quality and continuous improvement. Our Vision Statement presents a compelling future toward which our Strategic Plan is directed. Both our mission and our vision are founded on the following basic values that guide all our actions and that reflect what we expect from our employees and elected officials. Single words are used to further explain our commitments.

**Economic and Business Development** means we create a simplified range of opportunities for all types of business recruitment and retention. We value strong collaborations with elected officials and regional economic development organizations to promote and market the region for industrial and commercial growth. (Capable, Business-friendly, Growing, Intentional)

**Financial Management and Stability** means we believe integrity, fiscal responsibility, and the prudent stewardship of public funds is essential for citizen confidence in government. We are committed to attainable performance measures based on a secure strategic plan. (Transparent, Stable, Accountable, Stewards)

**Community Inclusivity and Engagement** means we value the cultural and social diversity that is reflected in our community. We welcome the changes and new perspectives that this diversity brings. (Individuals, Respectful, Compassionate, Ethical)

**Infrastructure Effectiveness and Improvement** means we provide a maintained and reliable infrastructure for all members of the community while continuing to find innovative ways to improve the delivery of services. (Affordable, Local, Sustainable, Strategic Planners)

**Core Service Delivery** means we encourage employees to exercise independent judgment in meeting customer needs through professional behavior. We support continuing education and training for all staff members. (Proactive, Servants, Best Practices, Dedicated) To achieve these goals department-wide performance measures are in the process of being created in 2019.

## MAJOR CITY INITIATIVES

The City staff, following specific directives from the City Council and City Manager, has been involved in a variety of projects and initiatives throughout the 2018 Calendar Year. The most significant of these projects and initiatives are identified below:

**Strategic Priorities.** The City of Rochelle engaged the Center for Governmental Studies (CGS) at Northern Illinois University (NIU) to facilitate a strategic planning process and workshop with Council and senior staff. Prior to the workshop sessions, several community stakeholder focus groups were held to gather input on their vision for Rochelle to lay the foundation for executive-level planning. Five Strategic Priority Areas were adopted: Economic and Business Development, Financial Management and Stability, Community Inclusivity and Engagement, and Core Service Delivery which became the City's values.

**Strategic Goals.** Another outcome of the process was the creation of key organizational goals helping ensure that employees and other stakeholders are working toward common strategic priorities. Participants were asked to classify a list of goals according to a matrix model of time and complexity. The goals were classified as short or long-term and as complex or routine. In total the group developed 13 short-term routine goals, 5 short-term complex goals, 5 long-term routine goals, and 13 long-term complex goals. Following the classification exercise, the Council was asked to delineate, via an online ranking exercise, which goals should be given a higher priority than others. The top goals based on the Council's average scores from each category represent the most important strategic goals or priority areas for the Council and staff to address in the next 2-7 years.

**Sale of Transmission Assets to NextEra Energy Transmission (NEET).** Rochelle Municipal Utilities (RMU) and NextEra Energy Transmission (NEET) have created a partnership that is expected to enhance the transmission of electricity to residents, businesses, and industries within the RMU service territory. Through a competitive bidding process, NextEra Energy Transmission was selected as the best entity to enter the sale with RMU of approximately 20 miles of 138 kV transmission lines and an associated substation. After the sale agreement was completed, Commonwealth Edison (ComEd) intervened to block the deal. ComEd's action has delayed the close of the transaction. After testimony by city officials and community stakeholders before Illinois House and Senate Committees, the sale is now in the hands of the Illinois Commerce Commission.

**Radium.** Radium levels exceeding the standard limit set by the Illinois Environmental Protection Agency (IEPA) is an ongoing issue in Rochelle. Recently, Rochelle Municipal Utilities (RMU) constructed the City's first radium removal plant at Well 11. The \$2.7 million plant is the culmination of a two-year project to rid Rochelle's water supply of excess radium. The plant utilizes state-of-the-art technology and supervisory control and data acquisition (SCADA) safety measures to communicate to plant operators electronically and to immediately alert staff of any potential problems. The project was financed through the low-interest Illinois Environmental Protection Agency Loan Program which offered forgiveness of \$500,000 of the project.

The City contracted with Illinois State University to conduct a research study to evaluate groundwater in the community.

**Infrastructure Improvements.** The City of Rochelle extended \$4.5 million of general obligation bonds to fund top infrastructure projects throughout the community. The transaction did not affect property tax rates as the bond payment is tied to sale tax revenues. The City was able to take advantage of a low interest rate of 3.5%. Improvements include but are not limited to 2<sup>nd</sup> Avenue street urbanization and drainage improvements, downtown storm sewer and drainage improvements including street and sidewalk reconstruction as needed, general street improvements including curb and gutter, stormwater, sidewalks, pavement and offsite drainage improvements, right-of-way acquisition, and professional and surveying fees.

**Automated Industrial Expansion.** Americold, the global leader in temperature-controlled warehousing and logistics to the foods industry, broke ground at its Rochelle campus for a new 15.5 million cubic foot automated facility to network and further increase its worldwide capacity. This addition will bring 57,600 more pallet positions and extensive German automation storage and retrieval capabilities boosting available capacity for Americold's customers in the Chicago, Illinois market.

**Downtown Redevelopment.** The City is committed to upgrading street lights, wayfinding, utilities, and infrastructure in anticipation of new downtown commercial and retail growth. Private development is occurring with the opening of the largest craft distillery and brewery in Illinois, a quaint artists' boutique, and a yoga/wellness studio. Several properties have been purchased or are under contract by local developers and entrepreneurs. A Tax Increment Financing (TIF) District was created and a Historic District designation received to help incentivize private sector growth.

**Inclusivity.** With the launch of the City's new website, a tool was added for ease in translation into multiple languages. Using Google Translate, the site may be translated into over 100 different languages. The City Clerk's Office remodified the municipal codebook through MuniCode, a service that publishes legal documents for municipalities throughout the U.S. The codebook also includes a search feature which makes finding specific areas of the codebook easy for visitors to the site. 24.3% of the population in Rochelle is recognized as Hispanic/Latino.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment in which the City operates.

**Local Economy.** Rochelle, Illinois is home to several Fortune 500 Companies (Walmart, Allstate, Tyson Foods, CHS, Union Pacific, NextEra Energy, Aramark, ConAgra Brands, Hormel Foods, Murphy USA, Frontier Communications, Edward Jones Financial, Casey's General Store, TreeHouse Foods, Northern Trust, etc.), two hydroponic greenhouses (MightyVine and BrightFarms), industries, commercial, retail, and small entrepreneurial businesses, and a variety of community not-for-profits. The City of Rochelle boasts a rich transportation, cold storage and food distribution heritage; two Class 1 Railroads (Union Pacific and Burlington Northern Santa Fe); Union Pacific Global III, two Interstates (I-39 and I-88); two State Highways (Routes 38 and 251); its own Short Line Railroad – City Industrial Rail (CIR); and Rochelle Municipal Airport (Koritz Field).

Over \$1.5B of capital investment has been made in Rochelle since 1989; \$60M in public infrastructure improvements, 6M square feet of industrial space added, a 1,000-acre industrial park, 15 new industries, and well over 2,500 jobs have been created. National commercial and retail development is on the rise at the northern and southern gateways.

**Pension and Other Post-Employment Benefits.** The City of Rochelle recognizes that increased annual pension obligations are a major factor affecting financial condition. That additional expense would cause a reduction in critical services to the citizens. To address this issue, the City researched offering pension obligation bonds to fully fund the unfunded liabilities and presented that to the City Council. Council acknowledged that pension obligations are a major factor that affects the City finances and the property tax rate but did not approve the issuance of the bonds. City staff will look for other ways such as allocating General Fund revenues and gaming revenue to pay down the unfunded liability. The city relies on allocations of Local Government Distributive Fund (LGDF) from the State of Illinois. Income tax, use tax, and motor fuel tax is allocated on a per capita basis. With citizens moving out of Illinois and the possibility of a lower 2020 census, the City may see a reduction in these General Services revenues. The City has implemented an early separation incentive to reduce salary and benefit cost. To date, nine employees have taken advantage of this program while many of those positions have been absorbed by existing staff.

## **AWARDS AND ACKNOWLEDGEMENTS**

**Awards.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Standard and Poor's Bond Rating for the City of Rochelle is A+ with an AA rating with insurance.

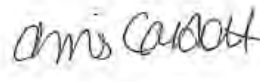
**Acknowledgements.** The preparation of this report was a team effort and could not have been accomplished without the efficient and dedicated services of the entire Finance Team. We would like to express our appreciation to members of the Finance Department who assisted and contributed to the preparation of this report.

On behalf of the Finance Department, we would like to thank the Mayor and City Council and TEAM Rochelle for their commitment to addressing the financial and infrastructure challenges facing this community.

Submitted by:



Jeff Fiegenschuh  
City Manager



Chris Cardott  
Finance Director

1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor  
Members of the City Council  
City of Rochelle, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rochelle, Illinois (the City) as of and for the year ended December 31, 2018 and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rochelle, Illinois, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses; and modified certain disclosures in the notes to financial statements and the required supplementary information as discussed in Note 13 to the basic financial statements. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated July 15, 2019 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
July 15, 2019

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Rochelle offers all persons interested in the financial position of the City this narrative overview and analysis of the City's financial performance during the fiscal year ending December 31, 2018. You are invited to read this narrative in conjunction with the City's financial statements.

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### FINANCIAL HIGHLIGHTS

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- The assets and deferred outflows of resources of the City of Rochelle exceeded its liabilities and deferred inflows of resources by \$142,699,539 (net position). Of this amount, \$5,091,999 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$17,886,341 is restricted for specific purposes (restricted net position), and \$119,721,199 is the net investment in capital assets.
- The City's total net position increased by \$6,304,583. Governmental activities net position increased by \$2,881,912, while business-type net position increased by \$3,422,671.
- The increase in net position for governmental activities of \$2,881,912 is primarily due to an accumulation of funds restricted for future capital projects.
- On December 31, 2018, the City's governmental funds reported combined fund balances of \$13,901,919, an increase of \$6,841,111 from December 31, 2017. Unassigned fund balance was \$2,343,534 at year end.
- Revenues for the governmental activities increased from the previous year by 24%. Expenses increased by 23%. The increases were due to grant funding for capital projects.
- The assets and deferred outflows of resources of the Electric Utility exceed its liabilities and deferred inflows of resources by \$47,299,398 (net position). Of this amount, \$10,540,860 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$8,009,471 is restricted for debt service (restricted net position), and \$28,749,067 is the net investment in capital assets.
- The assets and deferred outflows of resources of the Water and Water Reclamation Utility exceeded its liabilities and deferred inflows of resources by \$41,884,032 (net position). Of this amount, \$7,813,274 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$555,194 is restricted for debt service (restricted net position), and \$33,515,564 is the net investment in capital assets.
- Operating revenues for the Electric Utility did not change significantly while expenses were down 3%. The decrease in expenses are due to a lower purchase power cost.
- Operating revenues for the Water and Water Reclamation Utility were flat, while operating expenses were up 21%. The increase in is due to higher materials and supplies expenses.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of City government, reporting the City's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

#### ***GOVERNMENT-WIDE STATEMENTS***

The government-wide statements report information about the City using accounting methods similar to those used by private-sector companies. The statement of net position includes all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net Position – the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

#### ***FUND FINANCIAL STATEMENTS***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds* – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)**

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#### ***FUND FINANCIAL STATEMENTS (cont.)***

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and railroad fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

*Proprietary Funds* – The City maintains eight proprietary funds, six of which are enterprise funds and two internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

*Notes to the Financial Statements* – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*Other Information* – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget as well as information concerning the City's funding of pension benefit obligations to its employees. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the City's net position and changes therein. It should be noted that the financial position could also be affected by non-financial factors, including economic conditions, population growth and new regulations.

A summary of the City's Statement of Net Position is presented below in Table 1.

**Table 1  
Condensed Statements of Net Position**

	12/31/18	12/31/17	12/31/18	12/31/17	12/31/18	12/31/17
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
Current Assets	\$ 18,907,635	\$ 10,774,967	\$ 35,106,008	\$ 32,193,139	\$ 54,013,643	\$ 42,968,106
Capital Assets	53,237,806	51,171,529	92,801,096	90,983,062	146,038,902	142,154,591
Total Assets	<u>72,145,441</u>	<u>65,428,559</u>	<u>127,907,104</u>	<u>125,169,241</u>	<u>200,052,545</u>	<u>190,597,800</u>
Deferred Outflows of Resources	<u>4,677,316</u>	<u>3,482,063</u>	<u>982,332</u>	<u>1,993,040</u>	<u>5,659,648</u>	<u>5,475,103</u>
Long-term Liabilities	23,890,638	17,939,144	26,197,243	27,576,882	50,087,881	45,516,026
Other Liabilities	<u>2,464,794</u>	<u>1,054,789</u>	<u>4,026,599</u>	<u>4,022,489</u>	<u>6,491,393</u>	<u>5,077,278</u>
Total Liabilities	<u>26,355,432</u>	<u>22,526,732</u>	<u>30,223,842</u>	<u>31,676,112</u>	<u>56,579,274</u>	<u>54,202,844</u>
Deferred Inflows of Resources	<u>4,683,586</u>	<u>3,532,799</u>	<u>1,749,794</u>	<u>76,741</u>	<u>6,433,380</u>	<u>3,609,540</u>
Net investment in capital assets	51,569,571	49,454,386	68,151,628	66,624,091	119,721,199	116,078,477
Restricted	9,321,676	3,603,895	8,564,665	7,581,483	17,886,341	11,185,378
Unrestricted (Deficit)	<u>(15,107,508)</u>	<u>(10,156,454)</u>	<u>20,199,507</u>	<u>19,287,555</u>	<u>5,091,999</u>	<u>9,131,101</u>
Total Net Position	<u>\$ 45,783,739</u>	<u>\$ 42,901,827</u>	<u>\$ 96,915,800</u>	<u>\$ 93,493,129</u>	<u>\$ 142,699,539</u>	<u>\$ 136,394,956</u>

The largest portion of the City's net position (84%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (3%) may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City reported positive balances in all three categories of net position for the City as a whole.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY (cont.)

**Table 2**  
**Condensed Statement of Activities**

	12/31/18	12/31/17	12/31/18	12/31/17	12/31/18	12/31/17
	Governmental	Governmental	Business-type	Business-type	12/31/18	12/31/17
	Activities	Activities	Activities	Activities	Total	Total
<b>Revenues:</b>						
Program Revenues						
Charges for Services	\$ 3,864,313	\$ 3,611,337	\$ 47,628,254	\$ 47,568,357	\$ 51,533,305	\$ 51,179,694
Operating Grants and contributions	383,263	354,304	-	-	383,263	354,304
Capital Grants and Contributions	1,788,889	5,606	905,050	1,881	2,693,939	7,487
General Revenues						
Property Taxes	3,455,154	3,376,985	19,287	61,739	3,474,441	3,438,724
Other Taxes	5,474,579	5,051,688	-	-	5,474,579	5,051,688
Other	795,007	189,631	551,929	450,140	1,346,936	189,631
Total Revenues	<u>15,761,205</u>	<u>12,589,551</u>	<u>49,104,520</u>	<u>48,082,117</u>	<u>64,865,725</u>	<u>60,671,668</u>
<b>Expenses:</b>						
General Government	2,625,102	2,223,886	-	-	2,625,102	2,223,886
Public Safety	7,114,566	6,178,925	-	-	7,114,566	6,178,925
Public Works	3,890,595	3,476,945	-	-	3,890,595	3,476,945
Conservation and Development	657,933	726,054	-	-	657,933	726,054
Public Service Enterprises	230,942	119,565	-	-	230,942	119,565
Landfill	-	-	379,612	567,450	379,612	567,450
Airport	-	-	641,746	583,104	641,746	583,104
Electric	-	-	35,119,696	36,247,916	35,119,696	36,247,916
Water and Water Reclamation	-	-	5,624,050	4,682,269	5,624,050	4,682,269
Communications	-	-	-	-	-	-
Technology Center	-	-	1,149,385	1,184,320	1,149,385	1,184,320
Interest and Fiscal Charges	141,853	134,347	-	-	141,853	134,347
Total Expenses	<u>14,660,991</u>	<u>12,859,722</u>	<u>42,914,489</u>	<u>43,265,059</u>	<u>57,575,480</u>	<u>56,124,781</u>
Income (Loss) Before Transfers	1,110,214	(270,171)	6,190,031	4,817,058	7,330,983	4,546,887
Transfers	<u>2,076,297</u>	<u>2,353,969</u>	<u>(2,076,297)</u>	<u>(2,353,969)</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>3,176,511</u>	<u>2,083,798</u>	<u>4,113,734</u>	<u>2,463,089</u>	<u>7,330,983</u>	<u>4,546,887</u>
Net Position, January 1	42,901,827	41,195,552	93,493,129	91,687,111	136,394,956	132,882,663
Prior Period Adjustment	(294,599)	(377,523)	(691,063)	(657,071)	(985,662)	(1,034,594)
Net Position, January 1, Restated	<u>42,607,228</u>	<u>40,818,029</u>	<u>92,802,066</u>	<u>91,030,040</u>	<u>135,409,294</u>	<u>131,848,069</u>
Net Position, December 31	<u>45,783,739</u>	<u>42,901,827</u>	<u>96,915,800</u>	<u>93,493,129</u>	<u>142,740,277</u>	<u>136,394,956</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)**

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As previously noted, the Condensed Statements of Net Position (Table 1) shows the change in financial position of net position. The specific nature or source of these changes then becomes more evident in the Condensed Statement of Activities as shown above in Table 2.

#### ***GOVERNMENTAL ACTIVITIES***

Governmental activities increased the City's net position by \$3,176,511. This increase is primarily a result of the following item:

- Grant funds for South Main Street project.

#### ***BUSINESS-TYPE ACTIVITIES***

Business-type activities increased the City's net position by \$4,113,734. This increase is primarily a result of the following items:

- Stable purchase power costs.

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### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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#### ***GOVERNMENTAL FUNDS***

The focus of the City of Rochelle's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At December 31, 2018, the City's governmental funds reported combined fund balances of \$13,901,919. Approximately 33% of this amount, \$4,521,985, constitutes unrestricted, unassigned fund balance, which is available to meet the City's current and future needs. The remaining \$9,379,934 is nonspendable in form (prepaid items), restricted or assigned for various capital improvements, tourism/employee benefits, and other specific purposes.

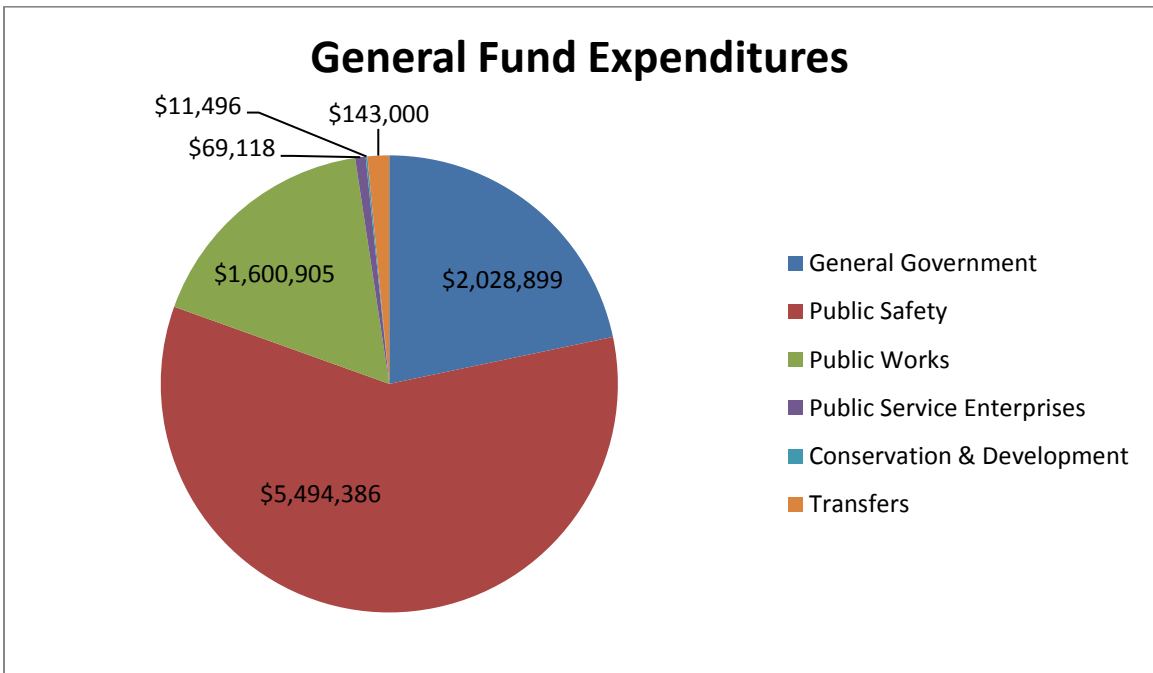
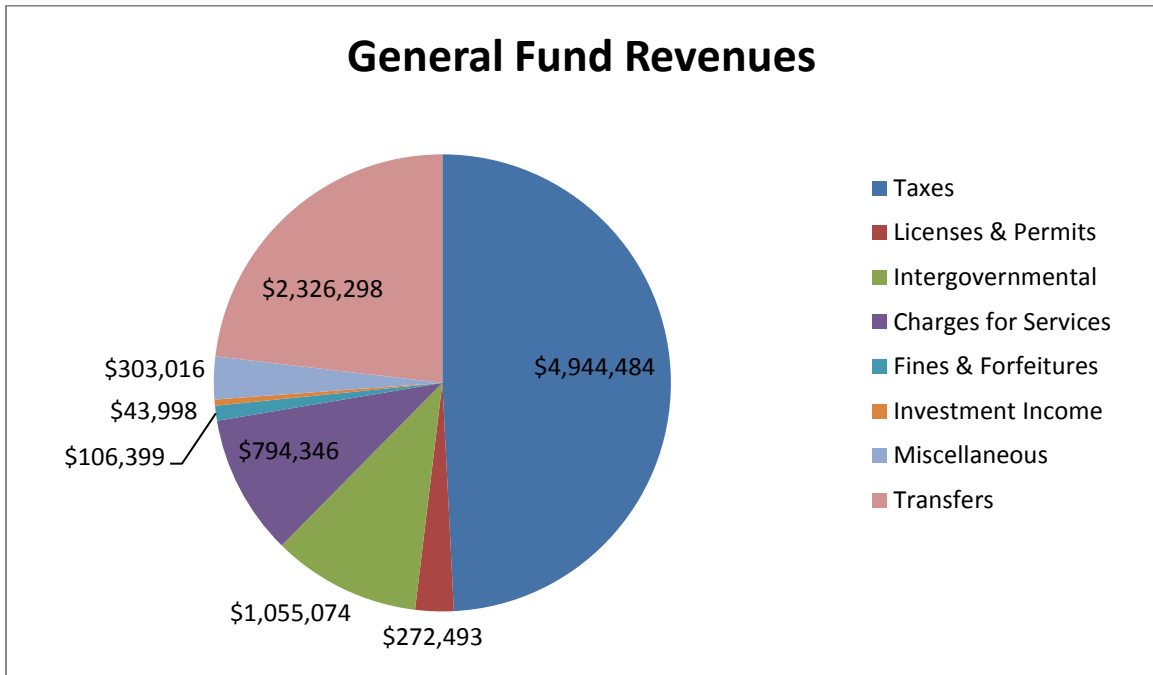
#### ***General Fund***

The City's general fund is the chief operating fund of the City. Total fund balance in the general fund increased \$675,767. Unrestricted, unassigned fund balance increased \$654,816. The increase is attributable primarily to higher than anticipated taxes while expenditures came in slightly under budgeted amounts.

#### ***Railroad Fund***

Fund balance in the railroad fund decreased by \$77,052, which included a planned drawdown of fund balance for ongoing capital projects.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)



**FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)**

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**GOVERNMENTAL FUNDS (cont.)**

***Non-major Governmental Funds***

Fund balance of all other governmental funds is \$9,295,504, of which all but \$13,581 (nonspendable prepaid items) and \$303,391 (unassigned deficit) are restricted or assigned for future projects and expenditures.

***Proprietary Funds***

The City of Rochelle's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities. The City's three major enterprise funds include electric, water and and technology center. The total net position of the electric fund is \$47,299,398. Of that, \$8,009,471 is restricted for debt service and \$28,749,067 is the net investment of capital assets. The water and water reclamation net position is \$41,884,032. That includes \$555,194 restricted for debt service and \$33,515,564 for the net investment in capital assets. The net position of the technology center is \$558,667 and includes \$2,033,006 for the net investment in capital assets. Additional information on the major proprietary funds is as follows:

***Electric Operations***

Electric operations increased the 2018 utility's net position by \$2,342,284. This increase is primarily a result of the following items:

- Stability of purchased power costs
- Continuation of the 5kV conversion
- Increase of FERC tariff revenue stream

***Water/Water Reclamation Operations***

Water/Water Reclamation operations increased the 2018 utility's net position by \$1,108,281. This increase is primarily a result of the following items:

- Construction of a radium removal plant
- Improvements at the wastewater treatment plant
- Sewer lining project

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)**

***Technology Center***

Technology Center and Communication operations increased the 2018 utility's net position by \$247,317. This decrease is the result of the following item:

- Increase in fiber customers.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The final General Fund budget had total appropriations of \$9,467,566. Actual expenditures, including transfers out were \$9,347,804, resulting in a \$119,762 favorable variance.

Total revenues and other sources were \$10,023,571, \$486,434 higher than the final budget.

**CAPITAL ASSETS**

**Table 3  
Capital Assets**

	12/31/18	12/31/17	12/31/18	12/31/17	12/31/18	12/31/17
	Governmental	Governmental	Business-type	Business-type	12/31/18	12/31/17
	Activities	Activities	Activities	Activities	Total	Total
Construction in progress	\$ 3,553,712	\$ 1,069,680	\$ 12,078,234	\$ 7,249,094	\$ 15,631,946	\$ 8,318,774
Land and other assets not being depreciated	6,264,134	5,552,030	3,397,940	3,397,940	9,662,074	8,949,970
Buildings and improvements	3,384,315	3,437,697	7,261,376	7,260,948	10,645,691	10,698,645
Machinery and equipment	8,164,893	8,072,233	10,784,817	10,766,577	18,949,710	18,838,810
Infrastructure and utility plant	64,364,556	63,719,464	150,113,872	148,081,785	214,478,428	211,801,249
<b>Total Capital Assets</b>	<b>85,731,610</b>	<b>81,851,104</b>	<b>183,636,239</b>	<b>176,756,344</b>	<b>269,367,849</b>	<b>258,607,448</b>
Less: Accumulated Depreciation	(32,493,804)	(30,679,575)	(90,835,143)	(85,773,282)	(123,328,947)	(116,452,857)
<b>Net Capital Assets</b>	<b>\$ 53,237,806</b>	<b>\$ 51,171,529</b>	<b>\$ 92,801,096</b>	<b>\$ 90,983,062</b>	<b>\$ 146,038,902</b>	<b>\$ 142,154,591</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **CAPITAL ASSETS (cont.)**

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At the end fiscal year 2018, the City had invested a total of \$142,154,591 in capital assets. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

Major capital asset events during the current fiscal year included the following:

- Improvements to City sidewalks, streets, and alleys
- General system upgrades and extensions to electric, water, and waste water
- Continuation of the 5kV conversion
- Wastewater treatment plant upgrades
- Construction of a radium removal plant
- Extension of the rail system

See note 3 on pages 37-38 for more information on the City's capital assets.

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### **LONG-TERM DEBT**

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At December 31, 2018, the City had business-type activities debt including \$26,197,243 of long-term debt outstanding. \$13,895,000 of this is revenue debt, \$6,394,567 is IEPA loans, \$3,075,000 is debt certificates, \$550,000 is a general obligation bond, and \$2,282,676 of other long-term debt (net pension liability, unamortized premium, and compensated absences). The City also has governmental activities debt outstanding of \$23,890,638. The amount of \$8,312,793 is in the form of general obligation tax increment financing bond, installment purchase contract, and debt certificates, while \$15,577,845 is made up of net pension liabilities, unamortized premium, compensated absences, and the net other postemployment benefit obligation. The debt is payable either through the City's enterprise funds/business type activities, the TIF, or tax levy. See notes 4-6 on pages 38-44 for more information on the City's long-term debt.

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### **CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS**

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All currently known facts and economic conditions were considered in preparing the 2019 City budget. None of these conditions are anticipated to significantly change the overall financial position of the City.

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### **REQUESTS FOR INFORMATION**

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The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Rochelle, Chris Cardott, Finance Director, 420 N. 6th St., Rochelle, IL 61068 or e-mail [ccardott@rochelleil.us](mailto:ccardott@rochelleil.us).

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2018

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Investments	\$ 12,471,483	\$ 18,326,395	\$ 30,797,878
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	2,637,789	61,146	2,698,935
Accounts	926,867	5,760,990	6,687,857
Accrued Interest	-	378	378
Other	61,270	191,685	252,955
Prepaid Expenses	27,880	12,328	40,208
Deposits	-	300,000	300,000
Due from Other Governments	2,821,937	293,981	3,115,918
Due to/from Other Funds	(39,591)	39,591	-
Inventory	-	1,299,941	1,299,941
Restricted Assets			
Restricted Cash and Investments	-	8,564,665	8,564,665
Cash Held at Paying Agent	-	48,953	48,953
Special Assessments	-	205,955	205,955
Capital Assets			
Not Depreciated	9,817,846	15,476,174	25,294,020
Depreciated (Net of Accumulated Depreciation)	43,419,960	77,324,922	120,744,882
 Total Assets	 72,145,441	 127,907,104	 200,052,545
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Items	4,677,316	625,110	5,302,426
Unamortized Loss on Refunding	-	357,222	357,222
 Total Deferred Outflows of Resources	 4,677,316	 982,332	 5,659,648
 Total Assets and Deferred Outflows of Resources	 76,822,757	 128,889,436	 205,712,193

(This statement is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2018

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,925,539	\$ 3,752,795	\$ 5,678,334
Accrued Payroll	409,706	13,743	423,449
Accrued Interest Payable	24,537	113,174	137,711
Other Payables	-	82,366	82,366
Deposits Payable	89,173	64,521	153,694
Unearned Revenue	15,839	-	15,839
Long-Term Liabilities			
Due Within One Year	697,491	1,451,392	2,148,883
Due in More than One Year	23,193,147	24,745,851	47,938,998
<b>Total Liabilities</b>	<b>26,355,432</b>	<b>30,223,842</b>	<b>56,579,274</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Items	2,034,763	1,673,092	3,707,855
OPEB Items	11,034	15,556	26,590
Deferred Property Taxes	2,637,789	61,146	2,698,935
<b>Total Deferred Inflows of Resources</b>	<b>4,683,586</b>	<b>1,749,794</b>	<b>6,433,380</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>31,039,018</b>	<b>31,973,636</b>	<b>63,012,654</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	51,569,571	68,151,628	119,721,199
Restricted for			
Audit	3,662	-	3,662
Maintenance of Roadways	586,421	-	586,421
Tourism	174,498	-	174,498
Employee Retirement	30,475	-	30,475
Capital Improvements	7,773,430	-	7,773,430
Economic Development	579,373	-	579,373
Public Safety	55,262	-	55,262
Cemetery	118,555	-	118,555
Debt Service	-	8,564,665	8,564,665
Unrestricted (Deficit)	(15,107,508)	20,199,507	5,091,999
<b>TOTAL NET POSITION</b>	<b>\$ 45,783,739</b>	<b>\$ 96,915,800</b>	<b>\$ 142,699,539</b>

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General Government	\$ 2,625,102	\$ 2,536,084	\$ -	\$ -
Public Safety	7,114,566	690,712	-	-
Public Works	3,890,595	423,402	383,263	1,788,889
Public Service Enterprises	230,942	48,720	-	-
Conservation and Development	657,933	165,395	-	-
Interest	141,853	-	-	-
Total Governmental Activities	14,660,991	3,864,313	383,263	1,788,889
Business-Type Activities				
Electric	35,119,696	39,026,749	-	-
Water and Water Reclamation	5,624,050	6,183,478	-	724,344
Technology Center	1,149,385	1,394,169	-	-
Landfill	379,612	656,506	-	-
Airport	641,746	367,352	-	180,706
Total Business-Type Activities	42,914,489	47,628,254	-	905,050
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 57,575,480</b>	<b>\$ 51,492,567</b>	<b>\$ 383,263</b>	<b>\$ 2,693,939</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
	\$ (89,018)	\$ -	\$ (89,018)
	(6,423,854)	-	(6,423,854)
	(1,295,041)	-	(1,295,041)
	(182,222)	-	(182,222)
	(492,538)	-	(492,538)
	(141,853)	-	(141,853)
	<u>(8,624,526)</u>	<u>-</u>	<u>(8,624,526)</u>
	-	3,907,053	3,907,053
	-	1,283,772	1,283,772
	-	244,784	244,784
	-	276,894	276,894
	-	(93,688)	(93,688)
	<u>-</u>	<u>5,618,815</u>	<u>5,618,815</u>
	<u>(8,624,526)</u>	<u>5,618,815</u>	<u>(3,005,711)</u>
General Revenues			
Taxes			
Property and Replacement	3,455,154	19,287	3,474,441
Sales and Use	3,379,510	-	3,379,510
Telecommunications	304,444	-	304,444
Hotel/Motel	252,426	-	252,426
Utility	444,058	-	444,058
Other	177,277	-	177,277
Shared Income Tax	916,864	-	916,864
Intergovernmental - Unrestricted	369,607	-	369,607
Investment Income	123,024	301,569	424,593
Miscellaneous	133,531	250,360	383,891
Gain on Sale of Capital Assets	168,845	-	168,845
Transfers In (Out)	2,076,297	(2,076,297)	-
Total	<u>11,801,037</u>	<u>(1,505,081)</u>	<u>10,295,956</u>
CHANGE IN NET POSITION	3,176,511	4,113,734	7,290,245
NET POSITION, JANUARY 1	<u>42,901,827</u>	<u>93,493,129</u>	<u>136,394,956</u>
Change in accounting principle	(294,599)	(691,063)	(985,662)
NET POSITION, JANUARY 1, RESTATED	<u>42,607,228</u>	<u>92,802,066</u>	<u>135,409,294</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 45,783,739</u>	<u>\$ 96,915,800</u>	<u>\$ 142,699,539</u>

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

December 31, 2018

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	<b>General</b>	<b>Railroad</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and Investments	\$ 2,309,062	\$ 990,794	\$ 9,171,627	\$ 12,471,483
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	1,932,625	-	705,164	2,637,789
Accounts	175,120	311,233	440,514	926,867
Prepaid Items	-	-	13,581	13,581
Due from Other Governments	749,988	1,788,889	283,060	2,821,937
Due from Other Funds	187,285	-	-	187,285
Advance to Other Funds	44,677	-	-	44,677
<b>TOTAL ASSETS</b>	<b>\$ 5,398,757</b>	<b>\$ 3,090,916</b>	<b>\$ 10,613,946</b>	<b>\$ 19,103,619</b>

(This statement is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS (Continued)

December 31, 2018

	<b>General</b>	<b>Railroad</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 230,099	\$ 1,294,658	\$ 306,855	\$ 1,831,612
Accrued Payroll	406,376	-	337	406,713
Deposits Payable	19,500	-	69,673	89,173
Due to Other Funds	-	-	175,897	175,897
Advance from Other Funds	-	-	44,677	44,677
Unearned Revenue	-	-	15,839	15,839
<b>Total Liabilities</b>	<b>655,975</b>	<b>1,294,658</b>	<b>613,278</b>	<b>2,563,911</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Property Taxes	1,932,625	-	705,164	2,637,789
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,588,600</b>	<b>1,294,658</b>	<b>1,318,442</b>	<b>5,201,700</b>
<b>FUND BALANCES</b>				
Nonspendable Prepaid Items	-	-	13,581	13,581
Nonspendable Advance to Other Funds	44,677	-	-	44,677
Restricted for Audit	-	-	3,662	3,662
Restricted for Maintenance of Roadways	-	-	586,421	586,421
Restricted for Tourism	-	-	174,498	174,498
Restricted for Employee Retirement	-	-	30,475	30,475
Restricted for Capital Improvements	-	-	7,773,430	7,773,430
Restricted for Economic Development	-	-	579,373	579,373
Restricted for Public Safety	-	-	55,262	55,262
Restricted for Cemetery	118,555	-	-	118,555
Unrestricted	-	-	-	-
Assigned for Ambulance Replacement	-	-	205,079	205,079
Assigned for Stormwater	-	-	128,646	128,646
Assigned for Railroad	-	1,796,258	-	1,796,258
Assigned for Capital Purposes	-	-	48,468	48,468
Unassigned	2,646,925	-	(303,391)	2,343,534
<b>Total Fund Balances</b>	<b>2,810,157</b>	<b>1,796,258</b>	<b>9,295,504</b>	<b>13,901,919</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
	\$ 5,398,757	\$ 3,090,916	\$ 10,613,946	\$ 19,103,619

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

December 31, 2018

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 13,901,919</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	53,237,806
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(743,439)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	2,200,329
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the Firefighters' Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	1,185,663
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the Other Postemployment Benefit Plan are recognized as deferred outflows and inflows of resources on the statement of net position	(11,034)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General Obligation Tax Increment Financing Bonds	(2,300,000)
General Obligation Bonds	(4,500,000)
General Obligation Debt Certificates	(1,490,000)
Installment Purchase Contract	(22,793)
Accrued interest payable	(24,537)
Unamortized bond premium	(202,686)
Compensated absences payable	(511,655)
Net pension liability - IMRF	(386,967)
Net pension liability - Police Pension	(8,203,889)
Net pension liability - Firefighters' Pension	(5,849,873)
Other postemployment benefit liability	(390,877)
The net position of the internal service fund are included in the governmental activities in the statement of net position	(104,228)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 45,783,739</u></b>

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2018

	<b>General</b>	<b>Railroad</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 4,944,484	\$ -	\$ 2,967,607	\$ 7,912,091
Licenses and Permits	272,493	-	38,902	311,395
Intergovernmental	1,055,074	1,788,889	614,660	3,458,623
Charges for Services	999,020	1,994,982	213,233	3,207,235
Fines and Forfeitures	106,399	-	-	106,399
Investment Income	43,998	20,449	58,577	123,024
Miscellaneous	262,278	8,082	203,233	473,593
<b>Total Revenues</b>	<b>7,683,746</b>	<b>3,812,402</b>	<b>4,096,212</b>	<b>15,592,360</b>
<b>EXPENDITURES</b>				
Current				
General Government	2,028,899	-	444,249	2,473,148
Public Safety	5,494,386	-	262,813	5,757,199
Public Works	1,600,905	331,930	189,952	2,122,787
Public Service Enterprises	69,118	-	51,741	120,859
Conservation and Development	11,496	-	614,832	626,328
Capital Outlay	-	3,077,832	1,051,591	4,129,423
Debt Service				
Principal	-	-	309,668	309,668
Interest and Fiscal Charges	-	-	133,468	133,468
<b>Total Expenditures</b>	<b>9,204,804</b>	<b>3,409,762</b>	<b>3,058,314</b>	<b>15,672,880</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,521,058)</b>	<b>402,640</b>	<b>1,037,898</b>	<b>(80,520)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,326,298	-	1,207,557	3,533,855
Transfers (Out)	(143,000)	(479,692)	(834,866)	(1,457,558)
Bonds Issued	-	-	4,500,000	4,500,000
Premium on Bonds Issued	-	-	128,005	128,005
Proceeds from Sale of Capital Assets	13,527	-	203,802	217,329
<b>Total Other Financing Sources (Uses)</b>	<b>2,196,825</b>	<b>(479,692)</b>	<b>5,204,498</b>	<b>6,921,631</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>675,767</b>	<b>(77,052)</b>	<b>6,242,396</b>	<b>6,841,111</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>2,134,390</b>	<b>1,873,310</b>	<b>3,053,108</b>	<b>7,060,808</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 2,810,157</b>	<b>\$ 1,796,258</b>	<b>\$ 9,295,504</b>	<b>\$ 13,901,919</b>

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

<b>NET CHANGE IN FUND BALANCES -</b>	
<b>TOTAL GOVERNMENTAL FUNDS</b>	\$ 6,841,111
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	3,977,307
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(1,862,546)
Change in compensated absences	(8,841)
Proceeds from the disposal of capital assets are recognized in governmental funds but the loss is recognized on the statement of activities	(48,484)
The amortizations of premiums is reported as interest expense on the statement of activities	4,870
The issuance of long-term debt is reported as an other financing source when due in governmental funds but as an increase in principal outstanding on the statement of activities	
General obligation bonds payable	(4,500,000)
Premium on bonds payable	(128,005)
The change in interest payable is reported as an increase of expense on the statement of activities	(13,255)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal on the government-wide financial statements	309,668
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resources	(285,083)
The change in the Police Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(365,875)
The change in the Firefighters' Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resources	(700,006)
The change in the Other Postemployment Benefit liability and deferred outflows/inflows of resources is not a source or use of a financial resources	88,329
The addition (reduction) in net position of certain activities of Internal Service Funds is included in governmental funds	(132,679)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 3,176,511</u>

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS

December 31, 2018

	<u>Business-Type Activities</u>	
	<u>Electric</u>	<u>Water and</u>
	<u>Utility</u>	<u>Water</u>
		<u>Reclamation</u>
<b>CURRENT ASSETS</b>		
Cash and Investments	\$ 7,701,657	\$ 7,025,480
Receivables		
Property Taxes	-	-
Accounts	4,521,828	899,378
Accrued Interest	-	378
Other	174,630	17,055
Prepaid Expenses	2,350	1,945
Deposits	300,000	-
Inventory	1,278,485	-
Due from Other Governments	-	293,981
Due from Other Funds	-	39,591
Restricted Assets		
Cash and Investments	8,009,471	555,194
Cash Held at Paying Agent	-	-
Total Current Assets	<u>21,988,421</u>	<u>8,833,002</u>
<b>NONCURRENT ASSETS</b>		
Advance to Other Funds	409,044	1,345,736
Special Assessments	-	205,955
Subtotal Noncurrent Assets	<u>409,044</u>	<u>1,551,691</u>
<b>CAPITAL ASSETS</b>		
Nondepreciable	7,329,315	5,467,246
Depreciable	86,302,679	67,271,456
Accumulated Depreciation	<u>(50,312,065)</u>	<u>(32,828,571)</u>
Net Capital Assets	<u>43,319,929</u>	<u>39,910,131</u>
Total Noncurrent Assets	<u>43,728,973</u>	<u>41,461,822</u>
Total Assets	<u>65,717,394</u>	<u>50,294,824</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Items - IMRF	370,321	174,836
Unamortized Loss on Refunding	<u>239,212</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>609,533</u>	<u>174,836</u>
Total Assets and Deferred Outflows of Resources	<u>66,326,927</u>	<u>50,469,660</u>

<b>Business-Type Activities</b>			<b>Governmental</b>
<b>Technology</b>	<b>Nonmajor</b>		<b>Internal</b>
<b>Center</b>	<b>Enterprise</b>	<b>Total</b>	<b>Service</b>
	<b>Funds</b>		<b>Funds</b>
\$ 320,850	\$ 3,278,408	\$ 18,326,395	\$ -
-	61,146	61,146	-
135,121	204,663	5,760,990	-
-	-	378	-
-	-	191,685	61,270
7,520	513	12,328	14,299
-	-	300,000	-
-	21,456	1,299,941	-
-	-	293,981	-
-	-	39,591	-
-	-	8,564,665	-
-	48,953	48,953	-
463,491	3,615,139	34,900,053	75,569
-	-	1,754,780	-
-	-	205,955	-
-	-	1,960,735	-
519,453	2,160,160	15,476,174	-
9,218,544	5,367,386	168,160,065	116,880
(4,547,522)	(3,146,985)	(90,835,143)	(116,880)
5,190,475	4,380,561	92,801,096	-
5,190,475	4,380,561	94,761,831	-
5,653,966	7,995,700	129,661,884	75,569
66,419	13,534	625,110	-
94,580	23,430	357,222	-
160,999	36,964	982,332	-
5,814,965	8,032,664	130,644,216	75,569

(This statement is continued on the following pages.)

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)  
 PROPRIETARY FUNDS

December 31, 2018

	<u>Business-Type Activities</u>	
	<u>Electric Utility</u>	<u>Water and Water Reclamation</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 2,240,225	\$ 1,298,205
Accrued Payroll	8,589	4,043
Accrued Interest Payable	98,273	5,948
Other Payables	82,366	-
Due to Other Funds	-	-
Deposits Payable	-	61,783
General Obligation Debt Payable	-	-
Revenue Bonds Payable	630,000	-
IEPA Loans Payable	-	165,458
OPEB Liability	94,101	43,556
Compensated Absences Payable	128,092	46,802
	<hr/>	<hr/>
Total Current Liabilities	3,281,646	1,625,795
<b>LONG-TERM LIABILITIES</b>		
Advance from Other Funds	-	-
Net Pension Liability	320,083	154,008
OPEB Liability	235,556	109,028
Long-Term Debt, Net of Current Maturities		
General Obligation Debt Payable	-	-
Revenue Bonds Payable	14,180,074	-
IEPA Loans Payable	-	6,229,109
	<hr/>	<hr/>
Total Long-Term Liabilities	14,735,713	6,492,145
	<hr/>	<hr/>
Total Liabilities	18,017,359	8,117,940
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Items - IMRF	1,000,863	463,380
OPEB Items	9,307	4,308
Deferred Property Taxes	-	-
	<hr/>	<hr/>
Total Deferred Inflows of Resources	1,010,170	467,688
	<hr/>	<hr/>
Total Liabilities and Deferred Inflows of Resources	19,027,529	8,585,628
<b>NET POSITION</b>		
Net Investment in Capital Assets	28,749,067	33,515,564
Restricted for Debt Service	8,009,471	555,194
Unrestricted (Deficit)	10,540,860	7,813,274
	<hr/>	<hr/>
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ 47,299,398</b>	<b>\$ 41,884,032</b>

<b>Business-Type Activities</b>			<b>Governmental</b>
<b>Technology</b>	<b>Nonmajor</b>		<b>Activities</b>
<b>Center</b>	<b>Enterprise</b>	<b>Total</b>	<b>Internal</b>
	<b>Funds</b>		<b>Service</b>
			<b>Funds</b>
\$ 42,703	\$ 171,662	\$ 3,752,795	\$ 93,927
690	421	13,743	2,993
-	8,953	113,174	-
-	-	82,366	-
-	-	-	50,979
2,738	-	64,521	-
270,000	40,000	310,000	-
-	-	630,000	-
-	-	165,458	-
16,132	3,495	157,284	-
8,247	5,509	188,650	31,898
340,510	230,040	5,477,991	179,797
1,754,780	-	1,754,780	-
59,880	11,513	545,484	-
40,382	8,749	393,715	-
2,887,469	510,000	3,397,469	-
-	-	14,180,074	-
-	-	6,229,109	-
4,742,511	530,262	26,500,631	-
5,083,021	760,302	31,978,622	179,797
171,682	37,167	1,673,092	-
1,595	346	15,556	-
-	61,146	61,146	-
173,277	98,659	1,749,794	-
5,256,298	858,961	33,728,416	179,797
2,033,006	3,853,991	68,151,628	-
-	-	8,564,665	-
(1,474,339)	3,319,712	20,199,507	(104,228)
\$ 558,667	\$ 7,173,703	\$ 96,915,800	\$ (104,228)

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	<u>Business-Type Activities</u>	
	<u>Electric Utility</u>	<u>Water and Water Reclamation</u>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 39,026,749	\$ 6,183,478
Miscellaneous	233,026	17,334
Total Operating Revenues	<u>39,259,775</u>	<u>6,200,812</u>
<b>OPERATING EXPENSES</b>		
Administration	-	-
Operations	31,598,241	3,811,732
Depreciation and Amortization	2,983,020	1,713,851
Total Operating Expenses	<u>34,581,261</u>	<u>5,525,583</u>
OPERATING INCOME (LOSS)	<u>4,678,514</u>	<u>675,229</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Taxes	-	-
Investment Income	179,232	86,445
Interest Expense	(538,435)	(98,467)
Total Non-Operating Revenues (Expenses)	<u>(359,203)</u>	<u>(12,022)</u>
NET INCOME BEFORE TRANSFERS, CAPITAL GRANTS AND CONTRIBUTIONS	<u>4,319,311</u>	<u>663,207</u>
<b>TRANSFERS</b>		
Transfers In	-	-
Transfers (Out)	(1,977,027)	(279,270)
Total Transfers	<u>(1,977,027)</u>	<u>(279,270)</u>
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	<u>-</u>	<u>724,344</u>
CHANGE IN NET POSITION	2,342,284	1,108,281
NET POSITION, JANUARY 1	<u>45,370,570</u>	<u>40,967,122</u>
Change in Accounting Principle	(413,456)	(191,371)
<b>NET POSITION, JANUARY 1, RESTATED</b>	<u>44,957,114</u>	<u>40,775,751</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 47,299,398</u>	<u>\$ 41,884,032</u>

<b>Business-Type Activities</b>			<b>Governmental</b>
<b>Technology</b>	<b>Nonmajor</b>		<b>Internal</b>
<b>Center</b>	<b>Enterprise</b>	<b>Total</b>	<b>Service</b>
	<b>Funds</b>		<b>Funds</b>
\$ 1,394,169	\$ 1,023,858	\$ 47,628,254	\$ 977,764
-	-	250,360	45
1,394,169	1,023,858	47,878,614	977,809
-	-	-	813,970
827,465	822,773	37,060,211	296,518
206,331	178,369	5,081,571	-
1,033,796	1,001,142	42,141,782	1,110,488
360,373	22,716	5,736,832	(132,679)
-	19,287	19,287	-
2,533	33,359	301,569	-
(115,589)	(20,216)	(772,707)	-
(113,056)	32,430	(451,851)	-
247,317	55,146	5,284,981	(132,679)
-	190,000	190,000	-
-	(10,000)	(2,266,297)	-
-	180,000	(2,076,297)	-
-	180,706	905,050	-
247,317	415,852	4,113,734	(132,679)
382,229	6,773,208	93,493,129	28,451
(70,879)	(15,357)	(691,063)	-
311,350	6,757,851	92,802,066	28,451
\$ 558,667	\$ 7,173,703	\$ 96,915,800	\$ (104,228)

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	<u>Business-Type Activities</u>	
	<u>Electric Utility</u>	<u>Water and Water Reclamation</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 39,683,087	\$ 6,701,483
Receipts from Interfund Services Transactions	-	-
Payments to Suppliers	(29,683,760)	(1,426,271)
Payments to Employees	(1,209,259)	(1,552,223)
Payments to Other Funds	(469,476)	(438,712)
	<u>8,320,592</u>	<u>3,284,277</u>
Net Cash from Operating Activities		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Receipts from Property Taxes	-	-
Receipts of Loans from Other Funds	49,389	-
Repayment of Loans to Other Funds	-	-
Loans Provided to Other Funds	-	(305,177)
Transfers In	-	-
Transfers (Out)	(1,977,027)	(279,270)
	<u>(1,927,638)</u>	<u>(584,447)</u>
Net Cash from Noncapital Financing Activities		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Assets Purchased	(2,810,932)	(4,243,675)
Issuance of Long-Term Debt	-	2,073,609
Principal Payments on Long-Term Debt	(615,000)	(733,237)
Interest Payments on Long-Term Debt	(594,521)	(93,578)
Grant Receipts	-	724,344
	<u>(4,020,453)</u>	<u>(2,272,537)</u>
Net Cash from Capital and Related Financing Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received on Investments	179,232	86,460
	<u>179,232</u>	<u>86,460</u>
Net Cash from Investing Activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,551,733	513,753
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>13,159,395</u>	<u>7,066,921</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 15,711,128</u>	<u>\$ 7,580,674</u>

Business-Type Activities			Governmental Activities
Technology Center	Nonmajor Enterprise Funds	Total	Internal Service
\$ 1,243,177	\$ 1,025,125	\$ 48,652,872	\$ -
67,223	-	67,223	1,067,292
(178,957)	(634,554)	(31,923,542)	(421,421)
(224,329)	(149,940)	(3,135,751)	(676,109)
(380,494)	(20,117)	(1,308,799)	-
526,620	220,514	12,352,003	(30,238)
-	19,287	19,287	-
265,586	-	314,975	50,979
(49,389)	-	(49,389)	(35,201)
-	-	(305,177)	-
-	180,000	180,000	-
-	-	(2,256,297)	-
216,197	199,287	(2,096,601)	15,778
-	(116,036)	(7,170,643)	-
-	-	2,073,609	-
(305,000)	(45,000)	(1,698,237)	-
(119,500)	(13,085)	(820,684)	-
-	79,993	804,337	-
(424,500)	(94,128)	(6,811,618)	-
2,533	33,359	301,584	-
2,533	33,359	301,584	-
320,850	359,032	3,745,368	(14,460)
-	2,919,376	23,145,692	14,460
\$ 320,850	\$ 3,278,408	\$ 26,891,060	\$ -

(This statement is continued on the following pages.)

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	<b>Business-Type Activities</b>	
	<b>Electric Utility</b>	<b>Water and Water Reclamation</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 4,678,514	\$ 675,229
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities		
Depreciation and Amortization	2,983,020	1,713,851
Changes in Assets and Liabilities		
Accounts Receivable	296,952	415,661
Other Receivables	126,360	41,021
Prepaid Expenses	67,303	-
Deposits	-	14,579
Inventory	102,706	-
Special Assessments	-	29,410
Pension Items - IMRF	240,432	111,286
OPEB Items	(74,492)	(34,479)
Accounts Payable	(79,803)	330,354
Accrued Payroll	8,829	4,043
Other Payables	(28,096)	-
Compensated Absences	(1,133)	(16,678)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 8,320,592</b>	<b>\$ 3,284,277</b>
<b>CASH AND INVESTMENTS</b>		
Cash and Investments	\$ 7,701,657	\$ 7,025,480
Restricted Cash and Investments	8,009,471	555,194
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 15,711,128</b>	<b>\$ 7,580,674</b>
<b>NONCASH TRANSACTIONS</b>		
Illinois EPA Loan Receivable	\$ -	\$ 79,977
Illinois EPA Loan Payable	-	(79,977)
Issuance of Refunding Bonds	-	-
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ -</b>	<b>\$ -</b>

Business-Type Activities			Governmental
Nonmajor			Activities
Technology Center	Enterprise Funds	Total	Internal Service
\$ 360,373	\$ 22,716	\$ 5,736,832	\$ (132,679)
206,331	178,369	5,081,571	-
(83,769)	1,267	630,111	89,483
-	-	167,381	-
(164)	-	67,139	10,287
-	-	14,579	-
-	18,649	121,355	-
-	-	29,410	-
41,217	8,930	401,865	-
(12,770)	(2,767)	(124,508)	-
29,280	(7,808)	272,023	(5,363)
690	398	13,960	2,993
-	-	(28,096)	-
(14,568)	760	(31,619)	5,041
<u>\$ 526,620</u>	<u>\$ 220,514</u>	<u>\$ 12,352,003</u>	<u>\$ (30,238)</u>
\$ 320,850	\$ 3,278,408	\$ 18,326,395	\$ -
-	-	8,564,665	-
<u>\$ 320,850</u>	<u>\$ 3,278,408</u>	<u>\$ 26,891,060</u>	<u>\$ -</u>
\$ -	\$ -	\$ 79,977	\$ -
-	-	(79,977)	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

December 31, 2018

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<b>ASSETS</b>	
Cash and Short-Term Investments	\$ 588,830
Investments, at Fair Value	
U.S. Treasury Securities	1,698,423
U.S. Agency Securities	3,645,930
Equity Mutual Funds	3,392,778
Fixed Income Mutual Funds	1,030,332
Corporate Bonds	2,364,591
Municipal Bonds	713,342
Equities	5,279,375
Annuity Contracts	187,736
Receivables	
Accrued Interest	<u>67,905</u>
 Total Assets	 <u>18,969,242</u>
 <b>LIABILITIES</b>	
None	<u>-</u>
 Total Liabilities	 <u>-</u>
 <b>NET POSITION RESTRICTED FOR PENSIONS</b>	 <u><u>\$ 18,969,242</u></u>

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

For the Year Ended December 31, 2018

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**ADDITIONS**

Contributions	
Employer Contributions	\$ 1,020,524
Employee Contributions	<u>244,195</u>
Total Contributions	<u>1,264,719</u>
Investment Income	
Net Depreciation in Fair Value of Investments	(1,489,467)
Interest	<u>681,671</u>
Total Investment Income	(807,796)
Less Investment Expense	<u>(43,866)</u>
Net Investment Income	<u>(851,662)</u>
Total Additions	<u>413,057</u>

**DEDUCTIONS**

Benefits and Refunds	1,616,258
Administrative Expenses	<u>44,368</u>
Total Deductions	<u>1,660,626</u>

NET DECREASE (1,247,569)

**NET POSITION RESTRICTED FOR PENSIONS**

January 1	<u>20,216,811</u>
December 31	<u><u>\$ 18,969,242</u></u>

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

**INDEX TO NOTES TO FINANCIAL STATEMENTS**

December 31, 2018

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# CITY OF ROCHELLE, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Rochelle, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### A. Reporting Entity

The City was incorporated in 1853 and is a municipal corporation governed by an elected board under the mayor/council form of government. The City is considered to be a primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and 34*, since its council is separately elected and fiscally independent. In accordance with these pronouncements, the basic financial statements include all funds for which the City is financially accountable.

Based on these criteria, the City is not considered a component unit of any other governmental unit, nor does it have any component units.

#### Pension Trust Funds

The City's financial statements include the Police Pension Plan and Firefighters' Pension Plan as pension trust funds. The City's sworn police and firefighter employees participate in these pension trust funds which function for the benefit of those employees and are each governed by a five-member pension board. Two members appointed by the Mayor, one elected pension beneficiary, and two elected police officers and firefighters constitute the individual pension boards. The City and the pension plan participants are obligated to fund all pension plan costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of the contribution levels.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. Reporting Entity (Continued)

Pension Trust Funds (Continued)

The pension plans are reported as pension trust funds because of the City's fiduciary responsibility. Separate financial statements are not available for the Police Pension Plan and Firefighters' Pension Plan.

B. Fund Accounting

The City uses funds to report on its financial position and changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The City utilizes pension trust funds which are generally used to account for assets that the City holds in a fiduciary capacity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Government-Wide and Fund Financial Statements (Continued)**

The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Railroad Fund is used to account for resources restricted, committed or assigned by the City for construction or major capital items specific to the City railroad.

The City reports the following major proprietary funds:

The Electric Utility Fund accounts for the activities of the electric system.

The Water and Water Reclamation Fund accounts for the activities of the water and water reclamation system.

The Technology Center Fund accounts for the activities of the technology center.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Government-Wide and Fund Financial Statements (Continued)

Additionally, the City reports the following proprietary fund type:

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis. These are reported as part of the governmental activities on the government-wide financial statements as they provide services to the City's governmental funds/activities. The Administrative Services Fund is used to allocate administrative costs to other city funds. The Network Administration Fund is used to allocate network administration costs to other city funds.

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due, unless due the first day of the following fiscal year.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Property taxes, sales taxes and telecommunication taxes owed to the state at year end, utility taxes, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the City.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The City reports unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability and deferred inflows of resource for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

**E. Cash and Investments**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the City's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. Cash and Investments (Continued)

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

F. Property Taxes

Property taxes for 2017 are levied in December 2017 and attach as an enforceable lien on the property on January 1, 2017. Tax bills are prepared by the County and issued on or about May 1, 2018 and August 1, 2018, and are due and collectible on or about June 1, 2018 and September 1, 2018. The County collects the taxes and remits them periodically to the City. Those 2017 taxes were intended to finance the year ending December 31, 2018. The 2018 levy, which attached as a lien on property as January 1, 2018, is intended to finance the 2019 fiscal year and is not considered available or earned for current operations and, therefore, is reported as deferred/unavailable revenue at December 31, 2018.

G. Inventory

Inventory is valued at average cost on a first-in/first-out (FIFO) method.

H. Restricted Assets

Certain cash and investments in the Electric Utility Fund and Water and Water Reclamation Fund are restricted in accordance with the ordinances authorizing the issuance of the revenue bonds or loans issued by the Illinois Environmental Protection Agency (IEPA). Cash held with paying agent is held for payment of the Series 2009 General Obligation Bonds and the General Obligation Refunding Bonds, Series 2017 (Airport). These assets are reflected as restricted cash and investments.

I. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are accounted for using the consumption method.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

Asset Class	Capitalization Threshold
Land	\$ -
Vehicles, Machinery, Furniture and Equipment	5,000
Buildings, Land Improvements and Infrastructure (All Systems)	25,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25-40
Machinery and Equipment	5-20
Land Improvements	20-30
Utility System	5-77
Infrastructure	10-50

K. Vacation, Sick Pay and Other Employee Benefits

Vested or accumulated vacation related to employees that have retired or terminated at year end but have not yet been paid is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested and accumulated vacation of governmental activities and proprietary funds is recorded as an expense and liability as the benefits accrue to employees. Sick leave does not vest and, therefore, no liability has been recorded for sick leave except for police officers and firefighters.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

L. Interfund Transactions

Interfund service transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund service transactions and reimbursements, are reported as transfers.

M. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

N. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as any gains/losses on refunding are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

P. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities or from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Manager and Finance Director through the City's Fund Balance Policy. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

The City has a policy to maintain unassigned fund balance in the General Fund at a target level of 10% to 40% of annual budgeted expenditures. Balances in excess of 40% of annual budgeted expenditures may be transferred to the Capital Improvement Fund to support future capital projects.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

P. Fund Balance/Net Position (Continued)

At December 31, 2018, the City had \$1,209,833 of net position and fund balances that were restricted for capital improvements and maintenance of roadways as a result of enabling legislation adopted by the City.

Q. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**2. CASH AND INVESTMENTS**

The City, Police Pension Fund and Firefighters' Pension Fund categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies; one policy for the City adopted by the City Council and one policy each for the Police Pension Fund and Firefighters' Pension Fund approved by their respective boards.

In accordance with the City's investment policy, the City's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds. Investments in the The Illinois Funds are valued at the share price, the price for which the investment could be sold.

**2. CASH AND INVESTMENTS (Continued)**

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are safety (preservation of capital and protection of investment principal), liquidity and yield.

City Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank’s failure, the City’s deposits may not be returned to it. The City’s investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance, evidenced by a written collateral agreement with the collateral held by an agent of the City in the City’s name.

City Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools. Unless matched to a specific cash flow, the City does not directly invest in securities maturing more than five years from the date of purchase.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the City’s investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City’s agent separate from where the investment was purchased. The Illinois Funds and the money market mutual funds are not subject to custodial credit risk.

The City’s investment policy is silent on concentration of credit risk.

The City’s investment policy specifically prohibits the use of or the investment in derivatives, unless separately approved by the City Council.

The City does not hold any investments required to be reported at fair value.

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 3,213,149	\$ -	\$ -	\$ 3,213,149
Land Right of Way	2,338,881	712,104	-	3,050,985
Construction in Progress	1,069,680	2,944,707	460,675	3,553,712
Total Capital Assets not Being Depreciated	<u>6,621,710</u>	<u>3,656,811</u>	<u>460,675</u>	<u>9,817,846</u>
Capital Assets Being Depreciated				
Buildings	3,437,697	-	53,382	3,384,315
Machinery and Equipment	8,072,233	136,079	43,419	8,164,893
Bridges	10,515,760	-	-	10,515,760
Streets	32,220,163	460,675	-	32,680,838
Stormwater	4,701,899	-	-	4,701,899
Sidewalks	3,278,604	184,417	-	3,463,021
Railroad Spur	12,689,408	-	-	12,689,408
Street Lights	313,630	-	-	313,630
Total Capital Assets Being Depreciated	<u>75,229,394</u>	<u>781,171</u>	<u>96,801</u>	<u>75,913,764</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Less Accumulated Depreciation for				
Buildings	1,932,936	77,193	4,898	2,005,231
Machinery and Equipment	6,204,555	377,479	43,419	6,538,615
Bridges	1,985,858	210,315	-	2,196,173
Streets	13,988,165	783,513	-	14,771,678
Stormwater	3,978,126	57,547	-	4,035,673
Sidewalks	1,031,187	91,991	-	1,123,178
Railroad Spur	1,440,783	254,054	-	1,694,837
Street Lights	117,965	10,454	-	128,419
Total Accumulated Depreciation	<u>30,679,575</u>	<u>1,862,546</u>	<u>48,317</u>	<u>32,493,804</u>
Total Capital Assets being Depreciated, Net	<u>44,549,819</u>	<u>(1,081,375)</u>	<u>48,484</u>	<u>43,419,960</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 51,171,529</u>	<u>\$ 2,575,436</u>	<u>\$ 509,159</u>	<u>\$ 53,237,806</u>

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES	
General Government	\$ 93,128
Public Safety	204,880
Public Works	1,545,913
Public Service Enterprises	<u>18,625</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,862,546</u></b>

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 3,397,940	\$ -	\$ -	\$ 3,397,940
Construction in Progress	7,249,094	7,038,838	2,209,698	12,078,234
Total Capital Assets not being Depreciated	<u>10,647,034</u>	<u>7,038,838</u>	<u>2,209,698</u>	<u>15,476,174</u>
Capital Assets Being Depreciated				
Infrastructure	56,136,860	748,588	-	56,885,448
Equipment	10,766,577	18,240	-	10,784,817
Other Tangible Assets	2,134,356	-	-	2,134,356
Structures and Improvements	2,811,526	-	-	2,811,526
Building	4,449,422	428	-	4,449,850
General	8,457,993	-	428	8,457,565
Generation	14,406,195	100,359	-	14,506,554
Transmission	15,979,852	75,405	-	16,055,257
Distribution	50,966,529	1,127,872	19,709	52,074,692
Total Capital Assets Being Depreciated	<u>166,109,310</u>	<u>2,070,892</u>	<u>20,137</u>	<u>168,160,065</u>
BUSINESS-TYPE ACTIVITIES				
Less Accumulated Depreciation for				
Infrastructure	24,445,543	1,449,084	-	25,894,627
Equipment	6,912,325	288,568	-	7,200,893
Other Tangible Assets	1,637,836	46,640	-	1,684,476
Structures and Improvements	1,064,940	107,928	-	1,172,868
Building	1,024,454	104,208	-	1,128,662
General	4,399,718	175,891	428	4,575,181
Generation	7,103,215	316,301	-	7,419,516
Transmission	9,083,718	577,427	-	9,661,145
Distribution	30,101,533	2,015,951	19,709	32,097,775
Total Accumulated Depreciation	<u>85,773,282</u>	<u>5,081,998</u>	<u>20,137</u>	<u>90,835,143</u>
Total Capital Assets Being Depreciated, Net	<u>80,336,028</u>	<u>(3,011,106)</u>	<u>-</u>	<u>77,324,922</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 90,983,062</u>	<u>\$ 4,027,732</u>	<u>\$ 2,209,698</u>	<u>\$ 92,801,096</u>

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. LONG-TERM DEBT**

During the fiscal period, the following changes occurred in liabilities reported in the governmental activities:

	Balances January 1, as restated	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
GO TIF Bonds	\$ 2,435,000	\$ -	\$ 135,000	\$ 2,300,000	\$ 140,000
GO Bonds	-	4,500,000	-	4,500,000	-
GO Debt Certificates	1,660,000	-	170,000	1,490,000	170,000
Unamortized Bond Premium	79,551	128,005	4,870	202,686	-
Installment Purchase Contract	27,461	-	4,668	22,793	4,137
Compensated Absences*	529,670	278,719	264,836	543,553	271,777
Net Pension Liability - IMRF*	1,943,333	-	1,556,366	386,967	-
Net Pension Liability - Police*	5,986,220	2,217,669	-	8,203,889	-
Net Pension Liability - Firefighters'*	5,082,268	767,605	-	5,849,873	-
Other Postemployment Benefit Liability*	490,240	-	99,363	390,877	111,577
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 18,233,743</b>	<b>\$ 7,891,998</b>	<b>\$ 2,235,103</b>	<b>\$ 23,890,638</b>	<b>\$ 697,491</b>

\*These liabilities are primarily retired by the General Fund.

Beginning balances were restated to restate the Other Postemployment Benefit Liability in accordance with GASB Statement No. 75.

During the fiscal period, the following changes occurred in liabilities reported in the business-type activities:

	Balances January 1, as restated	Additions	Reductions/ Refundings	Balances December 31	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
Revenue Bonds					
2014 Electric System Bonds	\$ 5,905,000	\$ -	\$ 90,000	\$ 5,815,000	\$ 95,000
2015 Electric System Bonds	8,605,000	-	525,000	8,080,000	535,000
<b>Total Revenue Bonds</b>	<b>14,510,000</b>	<b>-</b>	<b>615,000</b>	<b>13,895,000</b>	<b>630,000</b>
General Obligation Debt Certificates	3,380,000	-	305,000	3,075,000	270,000
General Obligation Bonds	595,000	-	45,000	550,000	40,000
IEPA Revolving Loans	5,054,195	2,073,609	733,237	6,394,567	165,458
Unamortized Premium	1,078,020	-	80,477	997,543	-
Compensated Absences	220,269	188,650	220,269	188,650	188,650
Net Pension Liability - IMRF	2,739,398	-	2,193,914	545,484	-
Other Postemployment Benefit Liability	691,063	-	140,064	550,999	157,284
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 28,267,945</b>	<b>\$ 2,262,259</b>	<b>\$ 4,332,961</b>	<b>\$ 26,197,243</b>	<b>\$ 1,451,392</b>

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. LONG-TERM DEBT (Continued)**

Bonds payable and other long-term obligations at December 31, 2018 are comprised of the following, excluding the refunded bonds that are defeased in-substance:

General Obligation Debt

	<u>Total</u>	<u>Current</u>
\$750,000 2009 General Obligation Bonds, due in annual installments of \$15,000 to \$60,000 from June 30, 2011 to June 30, 2029, interest at 3.90% to 5.20%, retired by the Airport Fund, a nonmajor enterprise fund. These bonds were partially refunded by the 2017B General Obligation Bonds. The remaining balance of \$110,000 is due in annual installments of principal on January 1 in varying amounts ranging from \$35,000 to \$40,000, with interest payable semiannually at 3.90% to 4.75% maturing on January 1, 2020.	\$ 75,000	\$ 35,000
\$2,000,000 Limited Tax Debt Certificates, due in annual installments of \$165,000 to \$170,000 from June 1, 2016 to June 1, 2027, interest at 2.00% to 4.50%, retired by the Capital Improvements Fund, a governmental fund.	1,490,000	170,000
\$3,140,000 2017A Limited Tax Refunding Debt Certificates, due in annual installments of \$65,000 to \$350,000 from June 30, 2018 to June 30, 2028, interest at 2% to 4%, retired by the Technology Center Fund.	3,075,000	270,000
\$485,000 2017B General Obligation Refunding Bonds, due in annual installments of \$5,000 to \$60,000 from January 1, 2018 to January 1, 2029, interest at 2.000% to 3.125%, retired by the Airport Fund, a nonmajor enterprise fund.	475,000	5,000
\$4,500,000 2018 General Obligation Bonds, due in annual installments of \$485,000 to \$640,000 from January 1, 2020 to January 1, 2027, interest at 3% to 4%, retired by the Capital Improvements Fund, a governmental fund.	<u>4,500,000</u>	<u>-</u>
<b>TOTAL GENERAL OBLIGATION DEBT</b>	<u><b>\$ 9,615,000</b></u>	<u><b>\$ 480,000</b></u>
\$2,955,000 Series 2013 General Obligation Refunding (Tax Increment Financing Alternate Revenue Source) Bonds, due in annual installments of \$60,000 to \$260,000, through December 1, 2030, interest from 2% to 4%.	<u>\$ 2,300,000</u>	<u>\$ 140,000</u>
<b>TOTAL TIF FUND ALTERNATE REVENUE BONDS</b>	<u><b>\$ 2,300,000</b></u>	<u><b>\$ 140,000</b></u>

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. LONG-TERM DEBT (Continued)**

Revenue Bonds

	<u>Total</u>	<u>Current</u>
\$6,000,000 Series 2014 Electric System Revenue Bonds due in annual installments of \$95,000 to \$1,215,000, through May 1, 2034, interest from 2% to 5%.	\$ 5,815,000	\$ 95,000
\$9,110,000 Series 2015 Electric System Revenue Refunding Revenue Bonds, due in annual installments of \$505,000 to \$830,000, through May 1, 2030, interest from 3% to 4%.	<u>8,080,000</u>	<u>535,000</u>
<b>TOTAL ELECTRIC FUND REVENUE BONDS</b>	<b><u>\$ 13,895,000</u></b>	<b><u>\$ 630,000</u></b>

Revenue and Alternate Revenue Source Bonds Illinois EPA Loans

	<u>Total</u>	<u>Current</u>
\$600,000 Illinois EPA low interest loan related to the Askvig Subdivision project, due in semiannual installments of \$19,532, through May 2027, interest at 2.50%.	\$ 297,472	\$ 31,045
\$4,879,732 Illinois EPA low interest loan related to the Well #12 Project, due in semiannual installments of \$94,545 through November 2036, interest at 1.86%.	3,437,261	133,633
\$3,345,195 Illinois EPA low interest loan related to the Well #11 Project, through June 2038, interest at 1.32%.*	<u>2,659,834</u>	<u>-</u>
<b>TOTAL WATER AND WATER RECLAMATION IEPA LOANS</b>	<b><u>\$ 6,394,567</u></b>	<b><u>\$ 164,678</u></b>

\*This loan was not fully drawn at December 31, 2018. Therefore, a debt service to maturity schedule is not available.

Installment Purchase Contract

	<u>Total</u>	<u>Current</u>
\$27,461 Installment Purchase Contract related to the purchase of a Kubota Tractor for the golf course, due in annual installments of \$5,681, through May 2023, interest at 6.55%.	\$ 22,793	\$ 4,137
<b>TOTAL INSTALLMENT PURCHASE CONTRACT</b>	<b><u>\$ 22,793</u></b>	<b><u>\$ 4,137</u></b>

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. LONG-TERM DEBT (Continued)**

Debt Service to Maturity

The annual requirements to amortize all debt outstanding (except compensated absences, net pension liabilities and OPEB liabilities) as of December 31, 2018, are as follows:

Fiscal Year Ending December 31,	Business-Type Activities General Obligation Debt		Governmental Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2019	\$ 310,000	\$ 114,875	\$ 170,000	\$ 146,140
2020	320,000	104,794	650,000	201,975
2021	330,000	94,694	680,000	182,025
2022	335,000	84,719	695,000	161,193
2023	350,000	74,444	715,000	136,881
2024-2028	1,920,000	171,409	3,080,000	254,301
2029-2033	60,000	937	-	-
<b>TOTAL</b>	<b>\$ 3,625,000</b>	<b>\$ 645,872</b>	<b>\$ 5,990,000</b>	<b>\$ 1,082,515</b>

Fiscal Year Ending December 31,	Revenue Bonds		General Obligation Alternate Revenue Debt	
	Principal	Interest	Principal	Interest
2019	\$ 630,000	\$ 580,190	\$ 140,000	\$ 76,905
2020	650,000	558,240	145,000	73,405
2021	675,000	532,740	150,000	69,635
2022	700,000	506,240	160,000	65,735
2023	730,000	478,140	170,000	61,575
2024-2028	4,105,000	1,919,945	1,030,000	217,887
2029-2033	5,190,000	963,590	505,000	30,600
2034-2038	1,215,000	30,375	-	-
<b>TOTAL</b>	<b>\$ 13,895,000</b>	<b>\$ 5,569,460</b>	<b>\$ 2,300,000</b>	<b>\$ 595,742</b>

Fiscal Year Ending December 31,	Installment Purchase Contract		Illinois EPA Loans	
	Principal	Interest	Principal	Interest
2019	\$ 4,137	\$ 1,544	\$ 194,228	\$ 70,060
2020	4,408	1,273	198,064	66,224
2021	4,697	985	201,976	62,312
2022	5,004	677	205,966	58,322
2023	4,547	349	210,036	54,252
2024-2028	-	-	1,054,826	208,738
2029-2033	-	-	1,014,376	113,544
2034-2037	-	-	655,261	21,492
<b>TOTAL</b>	<b>\$ 22,793</b>	<b>\$ 4,828</b>	<b>\$ 3,734,733</b>	<b>\$ 654,944</b>

**4. LONG-TERM DEBT (Continued)**

Revenue Source Bonds

The City issued the Series 2014 Electric Revenue Alternate Revenue Source Bonds and the Series 2015 Refunding Electric Alternate Revenue Source Bonds to provide funds for electric capital improvements. These bonds are payable from a pledge of the City's electric revenues and are being repaid by the Electric Fund. The bonds are payable solely from electric revenues and are payable through 2034. The total principal and interest remaining to be paid on the bonds as of December 31, 2018 is \$19,464,460. Principal and interest paid for the current year was \$1,213,865 or 15.85% of total customer net revenues of \$7,656,460.

**5. INDUSTRIAL REVENUE BONDS**

The City has approved the issuance of industrial revenue bonds for the benefit of private business enterprises. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2018, there was one bond outstanding. The aggregate principal amount payable was \$3,850,000.

**6. REVENUE BONDS**

The revenue bond ordinances require that all revenues derived from the operation of the Electric Utility Fund and Water and Water Reclamation Fund be segregated in separate accounts, in the priority indicated by the order of the following:

Account	Amount	Nature of Authorized Expenditures
Operation and Maintenance	Sufficient amount to pay reasonable expenses for one month's operations	Expenses of operating, maintaining and repairing the system
Bond and Interest	Amount sufficient to pay the current bond and interest maturities	Paying principal and interest on bonds
Bond Reserve	\$30,000 per month until account aggregates an amount equal to bond and interest requirements for any succeeding fiscal year	Paying principal and interest on bonds when there are insufficient funds in the bond and interest account

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. REVENUE BONDS (Continued)**

Account	Amount	Nature of Authorized Expenditures
Depreciation, Improvement and Extension	\$20,000 per month until the account aggregates a minimum of \$7,000,000	Cost of extraordinary maintenance, necessary replacement and improvement or extension of the system
Capital Improvement	\$120,000 per month until the account aggregates a minimum of \$1,500,000	Capital improvements and repairs to or extensions of the system and any extraordinary repairs or replacements
Surplus Revenue	The amount remaining after payment into the above four accounts	Making up deficiencies in the aforementioned accounts, paying of junior lien bonds and for any other lawful corporate purpose

The City has complied with all significant limitations, restrictions and bond covenants during the year ended December 31, 2018. The restricted assets and restricted net position for purposes other than bond proceeds and the expenses of operating, maintaining and repairing the system, is as follows:

**RESTRICTED BOND ORDINANCE ACCOUNTS**

Bond and Interest Account	\$ 775,593
Bond Reserve Account	1,316,114
Capital Improvement Account	1,591,759
Depreciation, Improvement and Extension Account	<u>4,326,005</u>
<b>TOTAL</b>	<b><u>\$ 8,009,471</u></b>

**7. DEFINED BENEFIT PENSION PLANS**

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.imfr.org](http://www.imfr.org). The total pension liability for all plans was \$14,986,213 at December 31, 2018. Pension expense for all plans totaled \$3,477,473 for the year ended December 31, 2018.

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions

Illinois Municipal Retirement Fund

*Plan Administration*

All employees (other than those covered by the Police Pension Plan and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*Plan Membership*

At December 31, 2017, the latest actuarial valuation date, IMRF membership consisted of:

Inactive Employees or their Beneficiaries	
Currently Receiving Benefits	108
Inactive Employees Entitled to but not yet Receiving Benefits	32
Active Employees	89
 TOTAL	 229

*Benefits Provided*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for calendar years 2017 and 2018 was 11.94% and 11.34% of covered payroll, respectively.

*Net Pension Liability*

The City's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2017
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	3.39% to 14.25%
Interest Rate	7.50%
Cost of Living Adjustment	3.50%
Asset Valuation Method	Market Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the IMRF total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the employer's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension (Asset) Liability
BALANCES AT JANUARY 1, 2017	\$ 39,392,187	\$ 34,709,456	\$ 4,682,731
Changes for the Period			
Service Cost	645,899	-	645,899
Interest	2,904,572	-	2,904,572
Difference Between Expected and Actual Experience	174,541	-	174,541
Changes in Assumptions	(1,220,831)	-	(1,220,831)
Employer Contributions	-	768,001	(768,001)
Employee Contributions	-	289,447	(289,447)
Net Investment Income	-	6,163,738	(6,163,738)
Benefit Payments and Refunds	(1,975,021)	(1,975,021)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	(966,725)	966,725
Net Changes	529,160	4,279,440	(3,750,280)
BALANCES AT DECEMBER 31, 2017	\$ 39,921,347	\$ 38,988,896	\$ 932,451

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2018, the City recognized pension expense of \$1,391,070.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 352,461	\$ 20,350
Changes in Assumption	11,983	973,077
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,866,560
Contributions After Measurement Date	704,122	-
	<hr/>	<hr/>
TOTAL	\$ 1,068,566	\$ 2,859,987

\$704,122 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement period ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2019	\$ (304,130)
2020	(482,856)
2021	(942,077)
2022	(766,480)
	<hr/>
TOTAL	\$ (2,495,543)

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.50% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability (Asset)	\$ 5,754,603	\$ 932,451	\$ (3,079,273)

Police Pension Plan

*Plan Administration*

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership*

At December 31, 2018, the valuation date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	18
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	19
<b>TOTAL</b>	<b>37</b>

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided*

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.50% of salary for each year of service. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later.

*Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has adopted a funding policy to fund 100% of the past service cost by 2040. For the year ended December 31, 2018, the City's contribution was 40.26% of covered payroll.

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy*

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, insured credit union shares, repurchase agreements, commercial paper rates within the three highest classifications by at least two standard rating services, the The Illinois Funds, mutual funds, equity securities, corporate debt securities and variable annuities.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Equity	53.00%	8.20%
Fixed Income	45.00%	4.00%
Cash Equivalents	2.00%	1.10%

The long-term expected real rates of return are net of a 3.30% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation are listed in the table above.

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Investments in the The Illinois Funds are valued at the share price, the price for which the investment could be sold.

*Investment Concentrations*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

*Investment Rate of Return*

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (5.70%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy does not require pledging of collateral for bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 1,174,532	\$ 453,168	\$ 523,189	\$ 198,175	\$ -
U.S. Agency Obligations	614,615	29,773	114,095	39,159	431,588
Corporate Bonds	1,887,662	72,115	1,074,443	677,860	63,244
Municipal Bonds	10,070	-	10,070	-	-
<b>TOTAL</b>	<b>\$ 3,686,879</b>	<b>\$ 555,056</b>	<b>\$ 1,721,797</b>	<b>\$ 915,194</b>	<b>\$ 494,832</b>

The Fund has the following recurring fair value measurements as of December 31, 2018: the U.S. Treasury obligations, equity mutual funds, and equities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, municipal obligations, and the corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and corporate bonds rated within the four highest ratings categories at the time of purchase by a national rating agency. The corporate bonds are rated AA+ to BBB- by Standard and Poor's. The municipal bonds are rated AA+ by Standard and Poor's.

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The investment policy is silent on limiting exposure to custodial credit risk. In addition, the Fund allows the manager purchasing the investment to also serve as custodian over the investment. To limit its exposure, the manager has purchased an excess SIPC policy to cover any investment losses not covered by the limits of SIPC.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of January 1, 2019, for fiscal year ended December 31, 2018, using the following actuarial methods and assumptions.

Actuarial Valuation Date	January 1, 2019
Measurement Date	December 31, 2018
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	2.50% to 17.91%
Interest Rate	6.75%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market

Mortality rates were based on the RP-2014 Mortality Table, adjusted for Plan Status, Collar and Illinois Public Pension Data, as appropriate. Other demographic assumption rates are based on a review of assumptions in the actuary's 2016 study for Illinois Police Officers.

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 17,264,571	\$ 11,278,351	\$ 5,986,220
Changes for the Period			
Service Cost	368,621	-	368,621
Interest	1,135,689	-	1,135,689
Difference Between Expected and Actual Experience	788,319	-	788,319
Changes in Assumptions	-	-	-
Employer Contributions	-	556,593	(556,593)
Employee Contributions	-	142,282	(142,282)
Net Investment Income	-	(601,025)	601,025
Benefit Payments and Refunds	(879,106)	(879,106)	-
Administrative Expense	-	(22,890)	22,890
Net Changes	1,413,523	(804,146)	2,217,669
BALANCES AT DECEMBER 31, 2018	\$ 18,678,094	\$ 10,474,205	\$ 8,203,889

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2018, the City recognized police pension expense of \$1,256,597.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 842,927	\$ 114,185
Changes in Assumption	599,557	232,150
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,104,180	-
<b>TOTAL</b>	<u><u>\$ 2,546,664</u></u>	<u><u>\$ 346,335</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2019	\$ 626,114
2020	492,758
2021	409,180
2022	471,533
2023	121,877
Thereafter	<u>78,867</u>
<b>TOTAL</b>	<u><u>\$ 2,200,329</u></u>

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 10,959,982	\$ 8,203,889	\$ 5,964,442

Firefighters' Pension Plan

*Plan Administration*

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

*Plan Membership*

At December 31, 2018, the valuation date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	11
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>13</u>
<b>TOTAL</b>	<u><u>24</u></u>

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided*

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Contributions*

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City has adopted a funding policy to fund 100% of the past service cost by 2040. For the year ended December 31, 2018, the City's contribution was 45.19% of covered payroll.

*Investment Policy*

Permitted Deposits and Investments - Statutes and the Firefighter's Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, insured credit union shares, repurchase agreements, commercial paper rates within the three highest classifications by at least two standard rating services, the The Illinois Funds, mutual funds, equity securities, corporate debt securities and variable annuities.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	31.50%	6.70%
Small Cap Domestic Equity	9.00%	8.60%
International Equity	4.50%	6.50%
Fixed Income	55.00%	1.50%

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

The long-term expected real rates of return are net of a 2.90% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using the Morningstar Analyst Research Center – SBBI Data for the period of December 31, 1925 through December 31, 2017. The long-term expected rate of return on the International Equity class was based on the MCSI EAFE index for the period of December 31, 1969 through December 31, 2017. The long-term expected rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed in the table on the previous page.

*Concentrations*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

*Rate of Return*

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.13%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy does not require pledging of collateral for bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 523,891	\$ 74,430	\$ 372,610	\$ 76,851	\$ -
U.S. Agency Obligations	3,031,315	49,550	820,520	2,148,967	12,278
Corporate Bonds	476,929	99,480	203,838	173,611	-
State and Local Obligations	703,272	-	185,511	195,384	322,377
<b>TOTAL</b>	<b>\$ 4,735,407</b>	<b>\$ 223,460</b>	<b>\$ 1,582,479</b>	<b>\$ 2,594,813</b>	<b>\$ 334,655</b>

The Fund has the following recurring fair value measurements as of December 31, 2018: the U.S. Treasury obligations, and equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, annuity contracts, and the corporate and municipal bonds are valued using quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and state and local obligations rated within the four highest ratings categories at the time of purchase by a national rating agency. The state and local obligations are rated from A- to AAA by Standard and Poor's. The corporate bonds are rated from BBB to AA+.

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The investment policy is silent on limiting exposure to custodial credit risk. To limit its exposure, the manager has purchased an excess SIPC policy to cover any investment losses not covered by the limits of SIPC.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of January 1, 2019, for fiscal year ended December 31, 2018, using the following actuarial methods and assumptions.

Actuarial Valuation Date	January 1, 2019
Measurement Date	December 31, 2018
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	2.50% to 17.64%
Interest Rate	6.75%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market

Mortality rates were based on the RP-2014 Mortality Table, adjusted for Plan Status, Collar and Illinois Public Pension Data, as appropriate. Other demographic assumptions rates are based on a review of assumptions in the actuary's 2016 study for Illinois Firefighters.

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 14,020,728	\$ 8,938,460	\$ 5,082,268
Changes for the Period			
Service Cost	261,695	-	261,695
Interest	921,520	-	921,520
Difference Between Expected and Actual Experience	(121,881)	-	(121,881)
Changes in Assumptions	-	-	-
Employer Contributions	-	463,931	(463,931)
Employee Contributions	-	101,913	(101,913)
Net Investment Income	-	(250,637)	250,637
Benefit Payments and Refunds	(737,152)	(737,152)	-
Administrative Expense	-	(21,478)	21,478
Net Changes	324,182	(443,423)	767,605
BALANCES AT DECEMBER 31, 2018	\$ 14,344,910	\$ 8,495,037	\$ 5,849,873

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2018, the City recognized firefighters' pension expense of \$829,806.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 472,702	\$ 248,177
Changes in Assumption	558,218	253,356
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	656,276	-
<b>TOTAL</b>	<b>\$ 1,687,196</b>	<b>\$ 501,533</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighters' pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2019	\$ 323,866
2020	254,006
2021	209,718
2022	269,762
2023	100,269
Thereafter	28,042
<b>TOTAL</b>	<b>\$ 1,185,663</b>

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 7,883,780	\$ 5,849,873	\$ 4,189,460

B. Schedule of Fiduciary Net Position

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 440,793	\$ 148,037	\$ 588,830
Investments, at Fair Value			
U.S. Treasury Securities	1,174,532	523,891	1,698,423
U.S. Agency Securities	614,615	3,031,315	3,645,930
Equity Mutual Funds	-	3,392,778	3,392,778
Fixed Income Mutual Funds	1,030,332	-	1,030,332
Corporate Bonds	1,887,662	476,929	2,364,591
Municipal Bonds	10,070	703,272	713,342
Equities	5,279,375	-	5,279,375
Annuity Contracts	-	187,736	187,736
Receivables			
Accrued Interest	36,826	31,079	67,905
<b>Total Assets</b>	<b>10,474,205</b>	<b>8,495,037</b>	<b>18,969,242</b>
<b>LIABILITIES</b>			
None	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 10,474,205</b>	<b>\$ 8,495,037</b>	<b>\$ 18,969,242</b>

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

C. Schedule of Changes in Fiduciary Net Position

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer Contributions	\$ 556,593	\$ 463,931	\$ 1,020,524
Employee Contributions	142,282	101,913	244,195
Total Contributions	698,875	565,844	1,264,719
<b>INVESTMENT INCOME</b>			
Net (Depreciation) on Fair Value of Investments			
	(912,029)	(577,438)	(1,489,467)
Interest Earned	335,792	345,879	681,671
Less Investment Expense	(24,788)	(19,078)	(43,866)
Net Investment Income	(601,025)	(250,637)	(851,662)
Total Additions	97,850	315,207	413,057
<b>DEDUCTIONS</b>			
Benefits and Refunds	879,106	737,152	1,616,258
Administrative Expenses	22,890	21,478	44,368
Total Deductions	901,996	758,630	1,660,626
NET DECREASE	(804,146)	(443,423)	(1,247,569)
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1	11,278,351	8,938,460	20,216,811
December 31	\$ 10,474,205	\$ 8,495,037	\$ 18,969,242

**8. RISK MANAGEMENT**

The City is exposed to various risks of loss, including but not limited to, property and casualty, general and public officials' liability, workers' compensation and employee's health. The City purchases third party indemnity insurance to limit its exposure to losses. Settled claims from these risks have not exceeded commercial insurance coverage in the current fiscal year or the two prior fiscal years.

**9. CONTRACTS, COMMITMENTS AND CONTINGENCIES**

A. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

B. Grants

Amounts received and receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Northern Illinois Municipal Power Agency

Northern Illinois Municipal Power Agency (NIMPA) is a joint municipal electric power agency and a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. NIMPA was created by contract under Illinois' municipal joint action agency statutes as of May 24, 2004 for the purpose of effecting the joint development of electric energy resources for the production, transmission and distribution of electric power and energy. NIMPA's members currently consist of three Illinois municipalities, the Cities of Batavia, Geneva and Rochelle.

The City currently purchases power and energy from NIMPA under a power sales agreement, under which the City is allocated a percentage entitlement to NIMPA's 120 MW ownership interest in the Prairie State project. The Prairie State project is an approximately 1,620 MW "mine mouth" coal fired power generating facility located in Washington County, Illinois. The City's entitlement share of the Prairie State project is 25% or 30 MW.

**9. CONTRACTS, COMMITMENTS AND CONTINGENCIES (Continued)**

C. Northern Illinois Municipal Power Agency (Continued)

NIMPA's outstanding debt service obligation is to be paid by its members through their wholesale power charges through the remainder of the long-term contract, which is \$465 million as of December 31, 2018.

D. Rochelle Waste Disposal

The City signed a host agreement with Rochelle Waste Disposal, LLC (the Operator) for Sanitary Landfill No. 2, effective May 1, 1996. Under this agreement, the Operator is responsible for all closure and post-closure costs, with no liability to the City. The leasing parties are responsible for any remediation costs. The lease will run as long as the capacity permits for the disposal of solid waste remains, or a minimum of 20 years. The Operator paid an initiation fee of \$200,000. The Operator will also pay a base fee of \$75,000 payable in quarterly installments and a usage fee based on a tonnage fee, or 6.10% of gross revenues on the accrual basis, whichever is greater.

E. Ogle-Lee Fire Protection District

The City is engaged in an intergovernmental agreement for fire protection services with Ogle-Lee Fire Protection District (the District). The management board consists of two members appointed by the District and two by the City. The District is required to pay \$86,500 per year through September 30, 2022. The payments provided shall be increased at the rate of 3% per annum beginning with the payment due May 1, 2018.

F. Tax Abatements

The City abates property taxes to stimulate commercial and industrial development within the City under certain circumstances. The terms of these abatement arrangements are specified within written agreements with the businesses concerned.

For the fiscal year ended December 31, 2018, the City abated 45% of the City's portion of the property tax extension for a dealership who constructed a new automobile showroom at 1260 North 7th Street, Rochelle, Illinois. The abatement for the year amounted to \$4,438. In addition, the City abated ½ of the 1% portion of sales tax attributable to sales and services rendered at the new showroom. The sales tax abatement amounted to \$40,428. Under the terms of the agreement, the dealership is required to employ a minimum of 25 full-time equivalent employees for at least five years. The agreement expired December 31, 2018.

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**9. CONTRACTS, COMMITMENTS AND CONTINGENCIES (Continued)**

F. Tax Abatements (Continued)

For the fiscal year ended December 31, 2018, the City abated ½ of the 1% portion of sales tax attributable to sales and services rendered for a dealership who renovated their building at 620 South 7th Street, Rochelle, Illinois. The sales tax abatement amounted to \$50,770. A portion of the property taxes attributable to any new improvements added to the property (30% to 90%) will be rebated by the City related to this agreement starting in fiscal year 2018 (2017 tax levy). Under the terms of the agreement, the dealership is required to employ a minimum of 19 full-time equivalent employees for at least five years. The agreement expires December 31, 2022.

**10. INDIVIDUAL FUND DISCLOSURES**

A. Due From/To Other Funds

Due from/to other funds at December 31, 2018 consisted of the following:

Fund	Due From	Due To
General	\$ 187,285	\$ -
Internal Service Fund	-	11,388
Nonmajor Governmental Communications Fund	-	175,897
	39,591	-
Nonmajor Proprietary	-	39,591
<b>TOTAL</b>	<b>\$ 226,876</b>	<b>\$ 226,876</b>

Due from/to amounts are to cover temporary cash deficits. Repayment is expected within one year.

B. Advances From/To Other Funds

Advances from/to other funds at December 31, 2018 consisted of the following:

Fund	Advance From	Advance To
Electric Utility	\$ 409,044	\$ -
Water and Water Reclamation	1,345,736	-
Technology Center	-	1,754,780
General	44,677	-
Nonmajor Special Revenue	-	44,677
<b>TOTAL</b>	<b>\$ 1,799,457</b>	<b>\$ 1,799,457</b>

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**10. INDIVIDUAL FUND DISCLOSURES (Continued)**

**B. Advances From/To Other Funds (Continued)**

The purposes of the advances from/to other funds are as follows:

- \$409,044 advanced from the Electric Utility Fund to the Technology Center Funds is for funding of cash shortfalls. Repayment is not expected within one year.
- \$1,345,736 advanced from the Water and Water Reclamation Fund to the Technology Center Funds is for funding of cash shortfalls. Repayment is not expected within one year.
- \$44,677 advanced from the General Fund to the Nonmajor Special Revenue Funds is for funding of cash shortfalls. Repayment is not expected within one year.

**C. Interfund Transfers**

Interfund transfers during the twelve months ended December 31, 2018 consisted of the following:

	Transfer In	Transfer Out
	<u>          </u>	<u>          </u>
General	\$ 2,326,298	\$ 143,000
Electric	-	1,977,027
Water and Water Reclamation	-	279,271
Railroad	-	60,000
Nonmajor Governmental	1,207,557	1,254,557
Nonmajor Enterprise	190,000	10,000
	<u>          </u>	<u>          </u>
<b>TOTAL</b>	<u>\$ 3,723,855</u>	<u>\$ 3,723,855</u>

The purposes of significant interfund transfers are as follows:

- \$2,326,298 transferred to the General Fund was made up of \$1,977,027 from the Electric Utility Fund, \$279,271 from the Water and Water Reclamation Fund, \$60,000 from the Railroad Fund, \$10,000 from the Nonmajor Enterprise Funds for annual transfers as permitted under bond ordinances and city policies. The transfers will not be repaid.

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**10. INDIVIDUAL FUND DISCLOSURES (Continued)**

C. Interfund Transfers (Continued)

- \$989,558 transferred to the Capital Improvement Fund (Nonmajor Governmental Fund) from Nonmajor Governmental Funds (Utility Tax Fund \$34,174, Motor Fuel Tax Fund \$98,957, Railroad Fund \$229,692 and Sales Tax Fund \$626,735) for various CIP projects. These transfers will not be repaid.

D. Fund Balance/Net Position Deficits

As of December 31, 2018, the IMRF Fund, Northern Gateway TIF Fund, Downtown TIF Fund, Administrative Services Fund and Network Administration Fund had deficit fund balances/net position of \$16,150, \$44,677, \$159,747, \$52,507 and \$51,721 respectively.

**11. RECEIVABLES**

The following receivables are included in due from other governments on the statement of net position at December 31, 2018:

<b>GOVERNMENTAL ACTIVITIES</b>	
Telecommunications Tax	\$ 84,288
Use Tax	89,072
Sales Tax	789,135
Auto Rental Tax	152
Video Gaming Tax	26,512
Grants	1,811,984
Motor Fuel Tax	<u>20,794</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,821,937</u></b>
<b>BUSINESS-TYPE ACTIVITIES</b>	
IEPA Loan	\$ 79,977
Grants	<u>214,004</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 293,981</u></b>

**12. OTHER POSTEMPLOYMENT BENEFITS**

A. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The activity of the plan is reported in the City's governmental activities.

B. Benefits Provided

The City provides OPEB to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans.

The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary. The City also offers an early retirement incentive in which the City will pay two years of insurance premiums up to the coverage level held at the time of agreement for participating employees. For certain disabled employees who qualify under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for retirees and their dependents for their lifetime. The City must contribute the amount beyond fund member payments necessary to fund the actuarial liability for OPEB. The City may change inactive fund member payment requirements through its collective bargaining agreements and employee compensation plans.

C. Membership

At December 31, 2018, the measurement date, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	12
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>116</u>
 TOTAL	 <u>128</u>

D. Total OPEB Liability

The City's total OPEB liability of \$941,876 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2018.

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2018, as determined by an actuarial valuation as of January 1, 2018 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2018, including updating the discount rate at December 31, 2018, as noted below.

Actuarial Cost Method	Entry-Age Normal
Actuarial Value of Assets	Market Value
Salary Increases	2.50%
Discount Rate	4.10%
Healthcare Cost Trend Rates	6.00% Initial 5.00% Ultimate

The discount rate was based on the Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

F. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT DECEMBER 31, 2018	<u>\$ 1,181,303</u>
Changes for the Period	
Service Cost	22,383
Interest	36,035
Changes in Assumptions	(28,984)
Benefit Payments	<u>(268,861)</u>
Net Changes	<u>(239,427)</u>
BALANCES AT DECEMBER 31, 2018	<u>\$ 941,876</u>

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

G. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 4.10% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10%) or 1 percentage point higher (5.10%) than the current rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB Liability	\$ 986,659	\$ 941,876	\$ 901,203

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 6% to 5% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (5% to 4%) or 1 percentage point higher (7% to 6%) than the current rate:

	1% Decrease (5% to 4%)	Current Healthcare Rate (6% to 5%)	1% Increase (7% to 6%)
Total OPEB Liability	\$ 880,627	\$ 941,876	\$ 1,012,904

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of 56,024. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and actual Experience	\$ -	\$ -
Changes in Assumptions	-	26,590
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 26,590</b>

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2019	\$ (2,394)
2020	(2,394)
2021	(2,394)
2022	(2,394)
2023	(2,394)
Thereafter	<u>(14,620)</u>
 TOTAL	 <u>\$ (26,590)</u>

**13. CHANGE IN ACCOUNTING PRINCIPLE**

The City adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended December 31, 2018. The implementation of this guidance resulted in changes to the OPEB related liability, revenue, expense, notes presented in the notes to financial statements and to the required supplementary information. The data of the December 31, 2017 fiscal year end was not restated as the required information was not available. Our opinion is not modified with respect to this matter.

GOVERNMENTAL ACTIVITIES

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 42,901,827</u>
Change in Accounting Principle	
To Write-off the City OPEB Obligation	195,641
To Record the City OPEB Liability	<u>(490,240)</u>
 Total Change in Accounting Principle	 <u>(294,599)</u>
 BEGINNING NET POSITION, RESTATED	 <u><u>\$ 42,607,228</u></u>

**CITY OF ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**13. CHANGE IN ACCOUNTING PRINCIPLE (Continued)**

BUSINESS-TYPE ACTIVITIES (IN TOTAL)

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 93,493,129
Change in Accounting Principle	
To Record the City OPEB Liability	<u>(691,063)</u>
Total Change in Accounting Principle	<u>(691,063)</u>
BEGINNING NET POSITION, RESTATED	<u>\$ 92,802,066</u>

BUSINESS-TYPE ACTIVITIES (BY MAJOR FUND OPINION UNIT)

Electric

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 45,370,570
Change in Accounting Principle	
To Record the City OPEB Liability	<u>(413,456)</u>
Total Change in Accounting Principle	<u>(413,456)</u>
BEGINNING NET POSITION, RESTATED	<u>\$ 44,957,114</u>

Water and Water Reclamation

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 40,967,122
Change in Accounting Principle	
To Record the City OPEB Liability	<u>(191,371)</u>
Total Change in Accounting Principle	<u>(191,371)</u>
BEGINNING NET POSITION, RESTATED	<u>\$ 40,775,751</u>

Technology Center

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 382,229
Change in Accounting Principle	
To Record the City OPEB Liability	<u>(70,879)</u>
Total Change in Accounting Principle	<u>(70,879)</u>
BEGINNING NET POSITION, RESTATED	<u>\$ 311,350</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 4,676,692	\$ 4,944,484	\$ 267,792
Licenses and Permits	254,000	272,493	18,493
Intergovernmental	1,030,517	1,055,074	24,557
Charges for Services	926,130	999,020	72,890
Fines and Forfeitures	102,500	106,399	3,899
Investment Income	25,000	43,998	18,998
Miscellaneous	65,000	262,278	197,278
<b>Total Revenues</b>	<b>7,079,839</b>	<b>7,683,746</b>	<b>603,907</b>
<b>EXPENDITURES</b>			
Current			
General Government	2,063,118	2,028,899	(34,219)
Public Safety	5,463,483	5,494,386	30,903
Public Works	1,684,699	1,600,905	(83,794)
Public Service Enterprises	98,766	69,118	(29,648)
Conservation and Development	14,500	11,496	(3,004)
<b>Total Expenditures</b>	<b>9,324,566</b>	<b>9,204,804</b>	<b>(119,762)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,244,727)</b>	<b>(1,521,058)</b>	<b>723,669</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	2,457,298	2,326,298	(131,000)
Transfers (Out)	(143,000)	(143,000)	-
Proceeds from Sale of Asset	-	13,527	13,527
<b>Total Other Financing Sources (Uses)</b>	<b>2,314,298</b>	<b>2,196,825</b>	<b>(117,473)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 69,571</b>	<b>675,767</b>	<b>\$ 606,196</b>
<b>FUND BALANCE, JANUARY 1</b>		<b>2,134,390</b>	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 2,810,157</b>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Fiscal Year

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<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2018</b>
<b>TOTAL OPEB LIABILITY</b>	
Service Cost	\$ 22,383
Interest	36,035
Changes of Assumptions	(28,984)
Benefit Payments, Including Refunds of Member Contributions	<u>(268,861)</u>
Net Change in Total OPEB Liability	(239,427)
Total OPEB Liability - Beginning	<u>1,181,303</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b><u>\$ 941,876</u></b>
Covered Payroll	\$ 7,728,322
Employer's Total OPEB Liability as a Percentage of Covered Payroll	12.19%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There were changes in assumptions related to the discount rate and health care trend rate.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Four Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>April 30,</b>		<b>December 31,</b>	
	<b>2016</b>	<b>2016*</b>	<b>2017</b>	<b>2018</b>
Actuarially Determined Contribution	\$ 683,782	\$ 491,358	\$ 768,000	\$ 704,122
Contributions in Relation to the Actuarially Determined Contribution	683,782	491,358	768,000	704,122
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered Payroll	\$ 6,035,344	\$ 4,153,491	\$ 6,432,161	\$ 6,209,189
Contributions as a Percentage of Covered Payroll	11.33%	11.83%	11.94%	11.34%

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 26 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases of 3.39% to 14.25% compounded annually and postretirement benefit increases of 3.50% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE**

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

Last Five Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>April 30,</b>			<b>December 31,</b>	
	<b>2015</b>	<b>2016</b>	<b>2016*</b>	<b>2017</b>	<b>2018</b>
Actuarially Determined Contribution	\$ 263,541	\$ 366,575	\$ 389,808	\$ 499,765	\$ 557,874
Contributions in Relation to the Actuarially Determined Contribution	276,905	360,627	388,135	497,804	556,593
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (13,364)</b>	<b>\$ 5,948</b>	<b>\$ 1,673</b>	<b>\$ 1,961</b>	<b>\$ 1,281</b>
Covered Payroll	\$ 1,586,341	\$ 1,349,905	\$ 1,212,418	\$ 1,882,279	\$ 1,382,454
Contributions as a Percentage of Covered Payroll	17.46%	26.71%	32.01%	26.45%	40.26%

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1/January 1 of the prior fiscal years. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was market value; and the significant actuarial assumptions were an investment rate of return of 6.75% annually, projected salary increase assumption of 2.50% to 17.91% plus 2.50% for inflation compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE**

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND

Last Five Fiscal Years

FISCAL YEAR ENDED	April 30,		December 31,		
	2015	2016	2016*	2017	2018
Actuarially Determined Contribution	\$ 273,650	\$ 337,824	\$ 345,086	\$ 444,861	\$ 464,988
Contributions in Relation to the Actuarially Determined Contribution	278,524	306,002	345,372	443,122	463,931
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (4,874)</b>	<b>\$ 31,822</b>	<b>\$ (286)</b>	<b>\$ 1,739</b>	<b>\$ 1,057</b>
Covered Payroll	\$ 909,588	\$ 924,791	\$ 666,530	\$ 1,034,788	\$ 1,026,548
Contributions as a Percentage of Covered Payroll	30.62%	33.09%	51.82%	42.82%	45.19%

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1/January 1 of the prior fiscal years. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was market value; and the significant actuarial assumptions were an investment rate of return of 6.75% annually, projected salary increase assumption of 2.50% to 17.64% plus 2.50% for inflation compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 633,562	\$ 642,258	\$ 645,899
Interest	2,620,202	2,791,955	2,904,572
Difference Between Expected and Actual Experience of the Total Pension Liability	803,929	(40,100)	174,541
Changes of Assumptions	43,813	(90,079)	(1,220,831)
Benefit Payments, Including Refunds of Member Contributions	(1,693,209)	(1,832,637)	(1,975,021)
Net Change in Total Pension Liability	2,408,297	1,471,397	529,160
Total Pension Liability - Beginning	35,512,493	37,920,790	39,392,187
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 37,920,790</b>	<b>\$ 39,392,187</b>	<b>\$ 39,921,347</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - Employer	\$ 687,703	\$ 725,858	\$ 768,001
Contributions - Member	280,253	343,977	289,447
Net Investment Income	165,264	2,260,861	6,163,738
Benefit Payments, Including Refunds of Member Contributions	(1,693,209)	(1,832,637)	(1,975,021)
Other (Net Transfer)	2,251	353,618	(966,725)
Net Change in Plan Fiduciary Net Position	(557,738)	1,851,677	4,279,440
Plan Fiduciary Net Position - Beginning	33,415,517	32,857,779	34,709,456
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 32,857,779</b>	<b>\$ 34,709,456</b>	<b>\$ 38,988,896</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 5,063,011</b>	<b>\$ 4,682,731</b>	<b>\$ 932,451</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.65%	88.11%	97.66%
Covered Payroll	\$ 6,035,344	\$ 6,126,370	\$ 6,432,163
Employer's Net Pension Liability as a Percentage of Covered Payroll	83.89%	76.44%	14.50%

Changes in assumptions related to salary rates, inflation rates, and mortality were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND

Last Five Fiscal Years

MEASUREMENT DATE	April 30,		December 31,		
	2015	2016	2016*	2017	2018
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 285,666	\$ 280,429	\$ 228,616	\$ 244,048	\$ 368,621
Interest	971,183	996,514	734,327	1,090,246	1,135,689
Differences Between Actual and Expected Experience	-	(203,820)	(17,329)	240,607	788,319
Changes in Assumptions	-	1,183,719	(367,219)	-	-
Benefit Payments, Including Refunds of Member Contributions	(925,616)	(837,526)	(565,736)	(924,236)	(879,106)
Net Change in Total Pension Liability	331,233	1,419,316	12,659	650,665	1,413,523
Total Pension Liability - Beginning	14,850,698	15,181,931	16,601,247	16,613,906	17,264,571
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 15,181,931</b>	<b>\$ 16,601,247</b>	<b>\$ 16,613,906</b>	<b>\$ 17,264,571</b>	<b>\$ 18,678,094</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 276,905	\$ 360,627	\$ 388,135	\$ 497,804	\$ 556,593
Contributions - Member	138,909	137,476	90,544	140,386	142,282
Net Investment Income	504,446	(283,084)	328,130	1,200,675	(601,025)
Benefit Payments, Including Refunds of Member Contributions	(925,616)	(837,526)	(565,736)	(924,236)	(879,106)
Administrative Expense	(17,065)	(18,984)	(17,314)	(20,897)	(22,890)
Net Change in Plan Fiduciary Net Position	(22,421)	(641,491)	223,759	893,732	(804,146)
Plan Fiduciary Net Position - Beginning	10,824,772	10,802,351	10,160,860	10,384,619	11,278,351
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 10,802,351</b>	<b>\$ 10,160,860</b>	<b>\$ 10,384,619</b>	<b>\$ 11,278,351</b>	<b>\$ 10,474,205</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 4,379,580</b>	<b>\$ 6,440,387</b>	<b>\$ 6,229,287</b>	<b>\$ 5,986,220</b>	<b>\$ 8,203,889</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.15%	61.21%	62.51%	65.33%	56.08%
Covered Payroll	\$ 1,586,341	\$ 1,349,905	\$ 1,212,418	\$ 1,882,279	\$ 1,382,454
Employer's Net Pension Liability as a Percentage of Covered Payroll	276.08%	477.10%	513.79%	318.03%	593.43%

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

2016 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS' PENSION FUND

Last Five Fiscal Years

MEASUREMENT DATE	April 30,		December 31,		
	2015	2016	2016*	2017	2018
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 215,229	\$ 217,247	\$ 157,858	\$ 168,513	\$ 261,695
Interest	741,514	753,420	606,381	890,290	921,520
Differences Between Actual and Expected Experience	-	663,185	(193,311)	78,353	(121,881)
Changes in Assumptions	-	900,875	(352,959)	-	-
Benefit Payments, Including Refunds of Member Contributions	(498,763)	(554,623)	(395,431)	(611,828)	(737,152)
Net Change in Total Pension Liability	457,980	1,980,104	(177,462)	525,328	324,182
Total Pension Liability - Beginning	11,234,778	11,692,758	13,672,862	13,495,400	14,020,728
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 11,692,758</b>	<b>\$ 13,672,862</b>	<b>\$ 13,495,400</b>	<b>\$ 14,020,728</b>	<b>\$ 14,344,910</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 278,524	\$ 306,002	\$ 345,372	\$ 443,122	\$ 463,931
Contributions - Member	91,671	93,373	62,958	98,666	101,913
Net Investment Income	520,913	12,259	283,880	871,095	(250,637)
Benefit Payments, Including Refunds of Member Contributions	(498,763)	(554,623)	(395,431)	(611,828)	(737,152)
Administrative Expense	(16,044)	(21,062)	(11,138)	(16,019)	(21,478)
Net Change in Plan Fiduciary Net Position	376,301	(164,051)	285,641	785,036	(443,423)
Plan Fiduciary Net Position - Beginning	7,655,533	8,031,834	7,867,783	8,153,424	8,938,460
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 8,031,834</b>	<b>\$ 7,867,783</b>	<b>\$ 8,153,424</b>	<b>\$ 8,938,460</b>	<b>\$ 8,495,037</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 3,660,924</b>	<b>\$ 5,805,079</b>	<b>\$ 5,341,976</b>	<b>\$ 5,082,268</b>	<b>\$ 5,849,873</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.69%	57.54%	60.42%	63.75%	59.22%
Covered Payroll	\$ 909,588	\$ 942,791	\$ 666,530	\$ 1,034,788	\$ 1,026,548
Employer's Net Pension Liability as a Percentage of Covered Payroll	402.48%	615.73%	801.46%	491.14%	569.86%

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

2016 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Five Fiscal Years

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<b>FISCAL YEAR ENDED</b>	<b>April 30,</b>		<b>December 31,</b>		
	<b>2015</b>	<b>2016</b>	<b>2016*</b>	<b>2017</b>	<b>2018</b>
Annual Money-Weighted Rate of Return, Net of Investment Expense	4.74%	(2.66%)	3.27%	11.91%	(5.70%)

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
FIREFIGHTERS' PENSION FUND**

Last Five Fiscal Years

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<b>FISCAL YEAR ENDED</b>	<b>April 30,</b>		<b>December 31,</b>		
	<b>2015</b>	<b>2016</b>	<b>2016*</b>	<b>2017</b>	<b>2018</b>
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.70%	(0.45%)	3.37%	8.86%	0.13%

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

December 31, 2018

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**1. BUDGETS**

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted for the General, Special Revenue, Debt Service and Capital Projects Funds. All annual appropriations lapse at fiscal year end.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted by the City to obtain taxpayer comments.

Subsequently, the budget is legally enacted through passage of an ordinance.

Formal budgetary integration is employed as a management control device during the year for all funds.

The legal level of budgetary control is at the fund level. The City Manager can transfer budgeted amounts between departments; however, any revision altering both revenues and budgeted expenditures for any fund must be approved by a two-thirds council action.

**2. INDIVIDUAL FUND DISCLOSURES**

The following funds had expenditures in excess of budget:

<u>Fund</u>	<u>Excess</u>
IMRF	\$ 5,017
Downtown TIF	532

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property	\$ 1,781,035	\$ 1,776,122	\$ (4,913)
Road and Bridge	170,000	188,764	18,764
Local Use	236,478	281,241	44,763
Telecommunications	315,000	304,444	(10,556)
State Sales	1,900,000	2,065,411	165,411
Replacement	149,179	182,791	33,612
Video Gaming	125,000	145,711	20,711
<b>Total Taxes</b>	<b>4,676,692</b>	<b>4,944,484</b>	<b>267,792</b>
Licenses and Permits			
Licenses			
Amusement	2,000	3,578	1,578
Liquor	25,000	32,800	7,800
Franchise	125,000	121,805	(3,195)
Other	-	260	260
Permits			
Building	102,000	114,050	12,050
<b>Total Licenses and Permits</b>	<b>254,000</b>	<b>272,493</b>	<b>18,493</b>
Intergovernmental			
Shared Income Tax	856,873	916,864	59,991
Federal Grants	173,644	138,210	(35,434)
<b>Total Intergovernmental</b>	<b>1,030,517</b>	<b>1,055,074</b>	<b>24,557</b>
Charges for Services			
Fire Protection	88,230	88,230	-
Ambulance Fees	375,000	437,731	62,731
Police Services	75,000	58,351	(16,649)
Planning/Zoning Fees	205,000	226,628	21,628
Grave Opening Fees	20,500	29,550	9,050
Rental Income	14,400	9,635	(4,765)
Cemetery Lot Sales	15,000	17,500	2,500
Cemetery Receipts	3,000	1,670	(1,330)
Water Reclamation Solid Waste	130,000	129,725	(275)
<b>Total Charges for Services</b>	<b>926,130</b>	<b>999,020</b>	<b>72,890</b>

(This schedule is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND**

For the Year Ended December 31, 2018

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES (Continued)</b>			
Fines and Forfeitures			
Circuit Court	\$ 100,000	\$ 104,524	\$ 4,524
Alarm	2,500	1,875	(625)
Total Fines and Forfeitures	102,500	106,399	3,899
Investment Income	25,000	43,998	18,998
Miscellaneous			
Refunds/Reimbursements	-	99,927	99,927
Miscellaneous	65,000	162,351	97,351
Total Miscellaneous	65,000	262,278	197,278
<b>TOTAL REVENUES</b>	<b>\$ 7,079,839</b>	<b>\$ 7,683,746</b>	<b>\$ 603,907</b>

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT</b>			
Mayor and Council			
Salaries	\$ 25,250	\$ 25,320	\$ 70
Travel Expenditures and Dues	4,700	1,636	(3,064)
Conferences	5,000	2,655	(2,345)
Supplies and Equipment	900	600	(300)
Other Professional Services	100	-	(100)
Printing	200	-	(200)
Community Relations	1,000	241	(759)
Recruitment	1,000	-	(1,000)
Equipment	2,000	-	(2,000)
<b>Total Mayor and Council</b>	<b>40,150</b>	<b>30,452</b>	<b>(9,698)</b>
City Clerk			
Salaries	81,509	63,034	(18,475)
Health Insurance	11,421	14,812	3,391
Life Insurance	-	29	29
Postage	6,000	7,170	1,170
Publishing	1,000	164	(836)
Printing	500	563	63
Travel Expenditures and Dues	6,900	1,924	(4,976)
Tuition and Training	3,000	280	(2,720)
Publications	300	112	(188)
Conferences	3,500	35	(3,465)
Office Supplies	3,000	3,297	297
Other Professional Services	11,400	1,114	(10,286)
Microcomputer Software	300	-	(300)
Maintenance of Equipment	300	-	(300)
Equipment	1,000	-	(1,000)
Miscellaneous Charges	15,000	12,932	(2,068)
<b>Total City Clerk</b>	<b>145,130</b>	<b>105,466</b>	<b>(39,664)</b>
Municipal Building			
Salaries	42,404	23,679	(18,725)
Health Insurance	7,394	7,325	(69)
Life Insurance	-	41	41
Maintenance (Buildings)	14,000	17,192	3,192
Maintenance (Grounds)	2,000	3,430	1,430
Maintenance (Other)	2,000	5,361	3,361
Network Administration	110,064	110,064	-
Janitorial Services	-	20,602	20,602
Other Professional Services	30,000	32,480	2,480
Utilities	85,000	83,116	(1,884)
Telephone	1,500	532	(968)
Travel Expenditures	200	-	(200)
Garbage Disposal/Recycling	500	489	(11)
Other Contractual Services	400	18	(382)
Property Tax	2,500	150	(2,350)

(This schedule is continued on the following pages.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT (Continued)</b>			
Municipal Building (Continued)			
Maintenance Supplies	\$ 1,500	\$ 1,228	\$ (272)
Office Supplies	4,000	4,542	542
General Supplies	4,000	4,968	968
Building Improvements	15,000	12,914	(2,086)
Equipment	350	149	(201)
Other Improvements	5,000	4,793	(207)
Public Relations	26,000	27,648	1,648
Sales Tax Rebates	84,000	91,197	7,197
Administrative Services	196,772	196,772	-
<b>Total Municipal Building</b>	<b>634,584</b>	<b>648,690</b>	<b>14,106</b>
City Attorney			
Legal	110,000	112,562	2,562
Publications and Dues	-	83	83
<b>Total City Attorney</b>	<b>110,000</b>	<b>112,645</b>	<b>2,645</b>
City Manager			
Salaries	111,500	111,346	(154)
Health Insurance	19,035	18,039	(996)
Life Insurance	-	164	164
Other Professional Services	2,000	60	(1,940)
Telephone	750	1,754	1,004
Publishing	200	-	(200)
Dues	8,750	3,298	(5,452)
Travel	2,500	1,270	(1,230)
Training	-	255	255
Tuition	-	616	616
Publications	500	733	233
Conferences	6,000	5,350	(650)
Office Supplies	500	155	(345)
Public Relations	1,000	3,267	2,267
Equipment	500	290	(210)
Miscellaneous	-	184	184
<b>Total City Manager</b>	<b>153,235</b>	<b>146,781</b>	<b>(6,454)</b>
Building, Zoning and Engineering			
Salaries	496,323	499,917	3,594
Health Insurance	89,702	89,408	(294)
Life Insurance	-	491	491
Maintenance (Building)	1,500	158	(1,342)
Maintenance (Equipment)	900	149	(751)
Maintenance (Vehicles)	2,250	4,018	1,768
Engineering	16,000	150,959	134,959
Medical Services	100	-	(100)
Other Professional Services	279,444	169,321	(110,123)
Postage	350	-	(350)

(This schedule is continued on the following pages.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT (Continued)</b>			
Building, Zoning and Engineering (Continued)			
Telephone	\$ 4,900	\$ 4,572	\$ (328)
Printing	900	61	(839)
Dues	3,300	3,491	191
Travel	6,300	5,760	(540)
Training	7,600	1,058	(6,542)
Publications	3,200	4,539	1,339
Public Relations	2,000	2,443	443
Utilities	6,800	4,458	(2,342)
Supplies (Equipment)	3,700	1,356	(2,344)
Office Supplies	2,950	2,534	(416)
Operating Supplies	600	896	296
Microcomputer Software	5,000	-	(5,000)
General Supplies	600	371	(229)
Small Tools	500	399	(101)
Gasoline and Oil	4,600	3,077	(1,523)
Capital Improvements	29,500	26,577	(2,923)
Software	3,200	3,740	540
Nuisance Abatement	4,600	2,606	(1,994)
Conference Expenditures	3,000	2,312	(688)
Miscellaneous	200	194	(6)
<b>Total Building, Zoning and Engineering</b>	<b>980,019</b>	<b>984,865</b>	<b>4,846</b>
<b>Total General Government</b>	<b>2,063,118</b>	<b>2,028,899</b>	<b>(34,219)</b>
<b>PUBLIC SAFETY</b>			
Police Department			
Salaries	2,084,924	2,076,373	(8,551)
Health Insurance	301,309	301,757	448
Life Insurance	-	1,752	1,752
Pension Contribution	557,874	556,593	(1,281)
Uniform Allowance	20,000	18,723	(1,277)
Maintenance (Equipment)	40,000	35,304	(4,696)
Maintenance (Vehicles)	30,000	35,621	5,621
Medical Services	1,500	493	(1,007)
Data Processing Services	30,000	16,379	(13,621)
Other Professional Services	4,000	4,156	156
Postage	100	87	(13)
Telephone	20,000	22,321	2,321
Printing and Publishing	4,650	3,268	(1,382)
Dues	12,000	15,684	3,684
Travel	3,000	3,244	244
Training	11,000	9,323	(1,677)
Publications	-	160	160
Utilities	1,350	1,242	(108)
Supplies (Equipment)	500	-	(500)
Supplies (Vehicles)	1,500	2,254	754
Office Supplies	4,500	5,070	570
Operating Supplies	17,000	9,801	(7,199)

(This schedule is continued on the following pages.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC SAFETY (Continued)</b>			
Police Department (Continued)			
Gas and Oil	\$ 40,000	\$ 41,279	\$ 1,279
K9 Supplies	5,000	3,474	(1,526)
Prisoner Supplies	2,000	1,296	(704)
Capital Improvements	9,408	3,601	(5,807)
Miscellaneous	11,000	18,293	7,293
<b>Total Police Department</b>	<b>3,212,615</b>	<b>3,187,548</b>	<b>(25,067)</b>
Fire Department			
Salaries	1,360,460	1,391,773	31,313
Health Insurance	224,770	213,506	(11,264)
Life Insurance	-	899	899
Pension Contribution	464,988	463,931	(1,057)
Uniform Allowance	12,000	12,446	446
Maintenance (Building)	9,000	2,922	(6,078)
Maintenance (Equipment)	12,500	9,849	(2,651)
Maintenance (Vehicles)	10,000	15,013	5,013
Medical Services	7,800	2,665	(5,135)
Other Professional Services	40,000	37,419	(2,581)
Postage	500	178	(322)
Telephone	8,000	5,546	(2,454)
Printing and Publishing	500	265	(235)
Dues	1,500	1,419	(81)
Travel	2,500	904	(1,596)
Training	6,000	5,658	(342)
Tuition Reimbursement	2,500	4,854	2,354
Publications	850	923	73
Utilities	17,000	12,708	(4,292)
Community Relations	1,000	272	(728)
Supplies (Building)	4,000	3,106	(894)
Supplies (Equipment)	5,000	3,485	(1,515)
Supplies (Vehicles)	5,000	4,818	(182)
Capital Outlay - Equipment	8,000	25,853	17,853
Capital Outlay - Vehicles	-	3,700	3,700
Capital Outlay - Other	13,000	51,232	38,232
Office Supplies	2,500	857	(1,643)
Operating Supplies	15,000	16,893	1,893
Janitorial Supplies	4,500	2,567	(1,933)
Gas and Oil	12,000	11,177	(823)
<b>Total Fire Department</b>	<b>2,250,868</b>	<b>2,306,838</b>	<b>55,970</b>
<b>Total Public Safety</b>	<b>5,463,483</b>	<b>5,494,386</b>	<b>30,903</b>
<b>PUBLIC WORKS</b>			
Streets			
Salaries	791,600	768,556	(23,044)
Health Insurance	137,799	166,131	28,332
Life Insurance	-	701	701
Uniform Allowance	3,500	4,841	1,341
Maintenance (Building)	7,500	5,139	(2,361)

(This schedule is continued on the following pages.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC WORKS (Continued)</b>			
Streets (Continued)			
Maintenance (Equipment)	\$ 33,500	\$ 30,841	\$ (2,659)
Maintenance (Streets)	30,000	30,489	489
Maintenance (Snow Removal)	3,000	3,135	135
Maintenance (Service Vehicles)	30,000	28,980	(1,020)
Maintenance (Other)	20,000	12,775	(7,225)
Janitorial Services	2,000	2,563	563
Other Professional Services	30,000	27,205	(2,795)
Postage	100	10	(90)
Telephone	5,000	3,672	(1,328)
Printing and Publishing	300	112	(188)
Travel	1,200	683	(517)
Training	3,500	2,801	(699)
Utilities	14,000	10,300	(3,700)
Street Lighting	169,000	151,532	(17,468)
Lease or Rentals	3,000	2,875	(125)
Supplies (Vehicles)	25,000	24,726	(274)
Supplies (Streets)	60,000	46,552	(13,448)
Supplies (Snow Removal)	110,000	87,236	(22,764)
Supplies (Safety)	3,500	2,184	(1,316)
Supplies (Other)	31,200	23,216	(7,984)
Office Supplies	2,000	1,896	(104)
Operating Supplies	8,000	6,310	(1,690)
Gas and Oil	55,000	48,270	(6,730)
Capital Outlay	105,000	107,174	2,174
	<hr/>	<hr/>	<hr/>
Total Streets	1,684,699	1,600,905	(83,794)
	<hr/>	<hr/>	<hr/>
Total Public Works	1,684,699	1,600,905	(83,794)
	<hr/>	<hr/>	<hr/>
<b>PUBLIC SERVICE ENTERPRISES</b>			
Cemetery			
Salaries	17,368	7,864	(9,504)
Health Insurance	23,298	11,349	(11,949)
Life Insurance	-	25	25
Uniform Allowance	-	39	39
Maintenance (Buildings)	2,500	1,105	(1,395)
Maintenance (Equipment)	1,000	412	(588)
Maintenance (Vehicles)	300	179	(121)
Other Professional Services	45,000	39,159	(5,841)
Telephone	1,500	1,853	353
Utilities	3,250	2,474	(776)
Supplies (Vehicles)	500	-	(500)
Supplies (Other)	2,350	1,855	(495)
Operating Supplies	500	586	86
Gas and Oil	1,200	1,911	711
Miscellaneous	-	307	307
	<hr/>	<hr/>	<hr/>
Total Cemetery	98,766	69,118	(29,648)
	<hr/>	<hr/>	<hr/>
Total Public Service Enterprises	98,766	69,118	(29,648)
	<hr/>	<hr/>	<hr/>

(This schedule is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>CONSERVATION AND DEVELOPMENT</b>			
Economic Development			
Life Insurance	\$ -	\$ 140	\$ 140
Other Professional Services	3,000	-	(3,000)
Postage	100	25	(75)
Telephone	1,500	1,191	(309)
Dues	750	1,934	1,184
Travel	2,500	1,156	(1,344)
Training	1,000	1,580	580
Publications	150	-	(150)
Community Relations	1,000	1,359	359
Office Supplies	1,000	1,133	133
Equipment	1,500	1,012	(488)
Miscellaneous	2,000	1,966	(34)
Total Economic Development	<u>14,500</u>	<u>11,496</u>	<u>(3,004)</u>
Total Conservation and Development	<u>14,500</u>	<u>11,496</u>	<u>(3,004)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 9,324,566</u>	<u>\$ 9,204,804</u>	<u>\$ (119,762)</u>

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
RAILROAD FUND

For the Year Ended December 31, 2018

	<u>Original and</u>		<u>Variance</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Over</u>
			<u>(Under)</u>
<b>REVENUES</b>			
Charges for Services	\$ 1,910,000	\$ 1,994,982	\$ 84,982
Investment Income	1,500	20,449	18,949
Miscellaneous	8,083	8,082	(1)
Intergovernmental	6,000,000	1,788,889	(4,211,111)
			<hr/>
Total Revenues	7,919,583	3,812,402	(4,107,181)
			<hr/>
<b>EXPENDITURES</b>			
Current			
Public Works			
Personal Services	153,827	110,851	(42,976)
Commodities	7,000	-	(7,000)
Other Services	27,504	24,116	(3,388)
Contractual Services	253,020	196,963	(56,057)
Capital Outlay	7,700,000	3,077,832	(4,622,168)
			<hr/>
Total Expenditures	8,141,351	3,409,762	(4,731,589)
			<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(221,768)	402,640	624,408
			<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	(473,188)	(479,692)	(6,504)
			<hr/>
Total Other Financing Sources (Uses)	(473,188)	(479,692)	(6,504)
			<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (694,956)</u>	<u>(77,052)</u>	<u>\$ 617,904</u>
			<hr/>
FUND BALANCE, JANUARY 1		1,873,310	
			<hr/>
FUND BALANCE, DECEMBER 31		<u>\$ 1,796,258</u>	

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF ROCHELLE, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2018

	<b>Special Revenue</b>				
	<b>Audit</b>	<b>Insurance</b>	<b>Motor Fuel Tax</b>	<b>Hotel/Motel Tax</b>	<b>IMRF Fund</b>
<b>ASSETS</b>					
Cash and Investments	\$ 3,662	\$ 4,811	\$ 487,295	\$ 157,280	\$ -
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	26,991	351,602	-	-	163,207
Accounts	-	-	-	21,308	-
Prepaid Items	-	13,110	-	-	-
Due from Other Governments	-	-	20,794	-	-
<b>TOTAL ASSETS</b>	<b>\$ 30,653</b>	<b>\$ 369,523</b>	<b>\$ 508,089</b>	<b>\$ 178,588</b>	<b>\$ 163,207</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 11,340	\$ -	\$ 4,033	\$ -
Accrued Payroll	-	-	-	57	-
Deposit Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	16,150
Advance from Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	-	11,340	-	4,090	16,150
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Property Taxes	26,991	351,602	-	-	163,207
Total Deferred Inflows of Resources	26,991	351,602	-	-	163,207
Total Liabilities and Deferred Inflows of Resources	26,991	362,942	-	4,090	179,357
<b>FUND BALANCES</b>					
Nonspendable Prepaid Items	-	13,110	-	-	-
Restricted for Audit	3,662	-	-	-	-
Restricted for Maintenance of Roadways	-	-	508,089	-	-
Restricted for Tourism	-	-	-	174,498	-
Restricted for Employee Retirement	-	-	-	-	-
Restricted for Capital Improvements	-	-	-	-	-
Restricted for Economic Development	-	-	-	-	-
Restricted for Public Safety	-	-	-	-	-
Unrestricted					
Assigned for Ambulance Replacement	-	-	-	-	-
Assigned for Stormwater	-	-	-	-	-
Assigned for Golf Course	-	-	-	-	-
Unassigned (Deficit)	-	(6,529)	-	-	(16,150)
Total Fund Balances (Deficit)	3,662	6,581	508,089	174,498	(16,150)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 30,653</b>	<b>\$ 369,523</b>	<b>\$ 508,089</b>	<b>\$ 178,588</b>	<b>\$ 163,207</b>

(This statement is continued on the following pages.)

Special Revenue						Capital Projects			
Social Security	Lighthouse Pointe TIF	Foreign Fire Insurance	Overweight Truck Permits	Northern Gateway TIF	Downtown TIF	Capital Improvement	Ambulance Replacement	Stormwater	
\$ 30,475	\$ 579,373	\$ 55,262	\$ 78,332	\$ -	\$ -	\$ 4,414,122	\$ 205,079	\$ 128,830	
163,364	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	369,607	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
\$ 193,839	\$ 579,373	\$ 55,262	\$ 78,332	\$ -	\$ -	\$ 4,783,729	\$ 205,079	\$ 128,830	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,344	\$ -	\$ 184	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	69,673	-	-	
-	-	-	-	-	159,747	-	-	-	
-	-	-	-	44,677	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	44,677	159,747	360,017	-	184	
163,364	-	-	-	-	-	-	-	-	
163,364	-	-	-	-	-	-	-	-	
163,364	-	-	-	44,677	159,747	360,017	-	184	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	78,332	-	-	-	-	-	
30,475	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	4,500,000	-	-	
-	579,373	-	-	-	-	-	-	-	
-	-	55,262	-	-	-	-	-	-	
-	-	-	-	-	-	-	205,079	-	
-	-	-	-	-	-	-	-	128,646	
-	-	-	-	-	-	-	-	-	
-	-	-	-	(44,677)	(159,747)	(76,288)	-	-	
30,475	579,373	55,262	78,332	(44,677)	(159,747)	4,423,712	205,079	128,646	
\$ 193,839	\$ 579,373	\$ 55,262	\$ 78,332	\$ -	\$ -	\$ 4,783,729	\$ 205,079	\$ 128,830	

(This statement is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2018

	<b>Capital Projects</b>			<b>Total</b>
	<b>Utility Tax</b>	<b>Sales Tax</b>	<b>Golf Course</b>	
<b>ASSETS</b>				
Cash and Investments	\$ 1,088,428	\$ 1,879,663	\$ 59,015	\$ 9,171,627
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	-	-	-	705,164
Accounts	43,073	-	6,526	440,514
Prepaid Items	-	-	471	13,581
Due from Other Governments	-	262,266	-	283,060
<b>TOTAL ASSETS</b>	<b>\$ 1,131,501</b>	<b>\$ 2,141,929</b>	<b>\$ 66,012</b>	<b>\$ 10,613,946</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 954	\$ 306,855
Accrued Payroll	-	-	280	337
Deposit Payable	-	-	-	69,673
Due to Other Funds	-	-	-	175,897
Advance from Other Funds	-	-	-	44,677
Unearned Revenue	-	-	15,839	15,839
Total Liabilities	-	-	17,073	613,278
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Property Taxes	-	-	-	705,164
Total Deferred Inflows of Resources	-	-	-	705,164
Total Liabilities and Deferred Inflows of Resources	-	-	17,073	1,318,442
<b>FUND BALANCES</b>				
Nonspendable Prepaid Items	-	-	471	13,581
Restricted for Audit	-	-	-	3,662
Restricted for Maintenance of Roadways	-	-	-	586,421
Restricted for Tourism	-	-	-	174,498
Restricted for Employee Retirement	-	-	-	30,475
Restricted for Capital Improvements	1,131,501	2,141,929	-	7,773,430
Restricted for Economic Development	-	-	-	579,373
Restricted for Public Safety	-	-	-	55,262
Unrestricted				
Assigned for Ambulance Replacement	-	-	-	205,079
Assigned for Stormwater	-	-	-	128,646
Assigned for Golf Course	-	-	48,468	48,468
Unassigned (Deficit)	-	-	-	(303,391)
Total Fund Balances (Deficit)	1,131,501	2,141,929	48,939	9,295,504
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,131,501</b>	<b>\$ 2,141,929</b>	<b>\$ 66,012</b>	<b>\$ 10,613,946</b>

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2018

	Special Revenue				
	Audit	Insurance	Motor Fuel Tax	Hotel/Motel Tax	IMRF Fund
<b>REVENUES</b>					
Taxes	\$ 13,736	\$ 230,034	\$ -	\$ 252,426	\$ 217,002
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	245,053	-	-
Charges For Services	-	-	-	-	-
Investment Income	51	81	5,931	1,258	221
Miscellaneous	-	-	-	24,072	-
<b>Total Revenues</b>	<b>13,787</b>	<b>230,115</b>	<b>250,984</b>	<b>277,756</b>	<b>217,223</b>
<b>EXPENDITURES</b>					
Current					
General Government	24,176	38,988	-	-	30,324
Public Safety	-	174,028	-	-	36,026
Public Works	-	75,970	-	-	1,193
Public Service Enterprises	-	5,928	-	-	44,535
Conservation and Development	-	-	-	189,631	108,939
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>24,176</b>	<b>294,914</b>	<b>-</b>	<b>189,631</b>	<b>221,017</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,389)	(64,799)	250,984	88,125	(3,794)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers (Out)	-	-	(98,957)	(75,000)	-
Bonds Issued	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(98,957)</b>	<b>(75,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(10,389)</b>	<b>(64,799)</b>	<b>152,027</b>	<b>13,125</b>	<b>(3,794)</b>
FUND BALANCES (DEFICIT), JANUARY 1	14,051	71,380	356,062	161,373	(12,356)
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 3,662</b>	<b>\$ 6,581</b>	<b>\$ 508,089</b>	<b>\$ 174,498</b>	<b>\$ (16,150)</b>

(This statement is continued on the following pages.)

		Special Revenue					Capital Projects		
Social Security	Lighthouse Pointe TIF	Foreign Fire Insurance	Overweight Truck Permits	Northern Gateway TIF	Downtown TIF	Capital Improvement	Ambulance Replacement	Stormwater	
\$ 221,394	\$ 556,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	38,902	-	-	-	-	-	
-	-	-	-	-	-	369,607	-	-	
-	-	-	-	-	-	-	-	24,844	
224	5,452	355	521	-	-	7,498	1,368	1,149	
-	-	31,566	-	-	69,212	-	-	-	
221,618	561,551	31,921	39,423	-	69,212	377,105	1,368	25,993	
34,710	140,259	-	-	44,677	15,532	115,583	-	-	
48,463	-	4,296	-	-	-	-	-	-	
109,245	-	-	1,044	-	-	-	-	2,500	
1,278	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	4,703	-	-	-	1,035,853	-	3,107	
-	135,000	-	-	-	-	170,000	-	-	
-	80,280	-	-	-	-	53,188	-	-	
193,696	355,539	8,999	1,044	44,677	15,532	1,374,624	-	5,607	
27,922	206,012	22,922	38,379	(44,677)	53,680	(997,519)	1,368	20,386	
-	-	-	-	-	-	989,557	143,000	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	4,500,000	-	-	
-	-	-	-	-	-	128,005	-	-	
-	-	-	-	-	-	203,802	-	-	
-	-	-	-	-	-	5,821,364	143,000	-	
27,922	206,012	22,922	38,379	(44,677)	53,680	4,823,845	144,368	20,386	
2,553	373,361	32,340	39,953	-	(213,427)	(400,133)	60,711	108,260	
\$ 30,475	\$ 579,373	\$ 55,262	\$ 78,332	\$ (44,677)	\$ (159,747)	\$ 4,423,712	\$ 205,079	\$ 128,646	

(This statement is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2018

	Capital Projects			Total
	Utility Tax	Sales Tax	Golf Course	
<b>REVENUES</b>				
Taxes	\$ 444,058	\$ 1,032,858	\$ -	\$ 2,967,607
Licenses and Permits	-	-	-	38,902
Intergovernmental	-	-	-	614,660
Charges For Services	-	-	188,389	213,233
Investment Income	8,916	24,648	904	58,577
Miscellaneous	-	-	78,383	203,233
<b>Total Revenues</b>	<b>452,974</b>	<b>1,057,506</b>	<b>267,676</b>	<b>4,096,212</b>
<b>EXPENDITURES</b>				
Current				
General Government	-	-	-	444,249
Public Safety	-	-	-	262,813
Public Works	-	-	-	189,952
Public Service Enterprises	-	-	-	51,741
Conservation and Development	-	-	316,262	614,832
Capital Outlay	-	-	7,928	1,051,591
Debt Service				
Principal	-	-	4,668	309,668
Interest and Fiscal Charges	-	-	-	133,468
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>328,858</b>	<b>3,058,314</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	452,974	1,057,506	(61,182)	1,037,898
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	75,000	1,207,557
Transfers (Out)	(34,174)	(626,735)	-	(834,866)
Bonds Issued	-	-	-	4,500,000
Premium on Bonds Issued	-	-	-	128,005
Sale of Capital Assets	-	-	-	203,802
<b>Total Other Financing Sources (Uses)</b>	<b>(34,174)</b>	<b>(626,735)</b>	<b>75,000</b>	<b>5,204,498</b>
NET CHANGE IN FUND BALANCES	418,800	430,771	13,818	6,242,396
FUND BALANCES (DEFICIT), JANUARY 1	712,701	1,711,158	35,121	3,053,108
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 1,131,501</b>	<b>\$ 2,141,929</b>	<b>\$ 48,939</b>	<b>\$ 9,295,504</b>

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
AUDIT FUND**

For the Year Ended December 31, 2018

---

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 14,131	\$ 13,736	\$ (395)
Investment Income	25	51	26
	<hr/>	<hr/>	<hr/>
Total Revenues	14,156	13,787	(369)
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
General Government			
Contractual Services	28,000	24,176	(3,824)
	<hr/>	<hr/>	<hr/>
Total Expenditures	28,000	24,176	(3,824)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (13,844)</u>	(10,389)	<u>\$ 3,455</u>
FUND BALANCE, JANUARY 1		<hr/> 14,051	
FUND BALANCE, DECEMBER 31		<hr/> <u>\$ 3,662</u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
INSURANCE FUND

For the Year Ended December 31, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 230,660	\$ 230,034	\$ (626)
Investment Income	-	81	81
	<hr/>	<hr/>	<hr/>
Total Revenues	230,660	230,115	(545)
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
General Government			
Contractual Services	46,667	38,988	(7,679)
Public Safety			
Contractual Services	208,305	174,028	(34,277)
Public Works			
Contractual Services	90,933	75,970	(14,963)
Public Service Enterprises			
Contractual Services	7,095	5,928	(1,167)
	<hr/>	<hr/>	<hr/>
Total Expenditures	353,000	294,914	(58,086)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (122,340)</u>	<u>(64,799)</u>	<u>\$ 57,541</u>
FUND BALANCE, JANUARY 1		<hr/>	
		71,380	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 6,581</u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND**

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental			
State Motor Fuel Tax	\$ 258,000	\$ 245,053	\$ (12,947)
Other Intergovernmental	1,850,000	-	(1,850,000)
Investment Income	2,000	5,931	3,931
	<hr/>	<hr/>	<hr/>
Total Revenues	2,110,000	250,984	(1,859,016)
<b>EXPENDITURES</b>			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<hr/>	<hr/>	<hr/>
	2,110,000	250,984	(1,859,016)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	(2,400,000)	(98,957)	2,301,043
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(2,400,000)	(98,957)	2,301,043
<b>NET CHANGE IN FUND BALANCE</b>			
	<hr/>	<hr/>	<hr/>
	\$ (290,000)	152,027	\$ 442,027
<b>FUND BALANCE, JANUARY 1</b>			
		<hr/>	
		356,062	
<b>FUND BALANCE, DECEMBER 31</b>			
		<hr/>	
		\$ 508,089	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
HOTEL/MOTEL TAX FUND**

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Hotel/Motel Tax	\$ 208,000	\$ 252,426	\$ 44,426
Investment Income	168	1,258	1,090
Miscellaneous	35,000	24,072	(10,928)
	<hr/>	<hr/>	<hr/>
Total Revenues	243,168	277,756	34,588
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
Conservation and Development			
Personal Services	89,366	82,902	(6,464)
Commodities	9,000	4,068	(4,932)
Contractual Services	83,400	68,160	(15,240)
Miscellaneous	46,250	34,501	(11,749)
Capital Outlay	10,000	-	(10,000)
	<hr/>	<hr/>	<hr/>
Total Expenditures	238,016	189,631	(48,385)
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,152	88,125	82,973
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	(75,000)	(75,000)	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(75,000)	(75,000)	-
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (69,848)</u>	13,125	<u>\$ 82,973</u>
FUND BALANCE, JANUARY 1		<hr/>	161,373
FUND BALANCE, DECEMBER 31		<u>\$ 174,498</u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
IMRF FUND

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 178,210	\$ 177,716	\$ (494)
Replacement Taxes	50,396	39,286	(11,110)
Investment Income	50	221	171
	<hr/>	<hr/>	<hr/>
Total Revenues	228,656	217,223	(11,433)
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
General Government			
Pension Contributions	29,635	30,324	689
Public Safety			
Pension Contributions	35,208	36,026	818
Public Works			
Pension Contributions	1,166	1,193	27
Public Service Enterprises			
Pension Contributions	43,524	44,535	1,011
Conservation and Development			
Pension Contributions	106,467	108,939	2,472
	<hr/>	<hr/>	<hr/>
Total Expenditures	216,000	221,017	5,017
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 12,656</u>	<u>(3,794)</u>	<u>\$ (16,450)</u>
FUND BALANCE (DEFICIT), JANUARY 1		<u>(12,356)</u>	
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>		<u><u>\$ (16,150)</u></u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SOCIAL SECURITY FUND**

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 222,000	\$ 221,394	\$ (606)
Investment Income	50	224	174
	<hr/>	<hr/>	<hr/>
Total Revenues	222,050	221,618	(432)
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
General Government			
Payroll Taxes	39,962	34,710	(5,252)
Public Safety			
Payroll Taxes	55,795	48,463	(7,332)
Public Works			
Payroll Taxes	125,772	109,245	(16,527)
Public Service Enterprises			
Payroll Taxes	1,471	1,278	(193)
	<hr/>	<hr/>	<hr/>
Total Expenditures	223,000	193,696	(29,304)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (950)</u>	27,922	<u>\$ 28,872</u>
FUND BALANCE, JANUARY 1		<hr/>	2,553
FUND BALANCE, DECEMBER 31		<u>\$ 30,475</u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
LIGHTHOUSE POINTE TIF FUND**

For the Year Ended December 31, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 563,726	\$ 556,099	\$ (7,627)
Investment Income	250	5,452	5,202
	<hr/>	<hr/>	<hr/>
Total Revenues	563,976	561,551	(2,425)
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
General Government			
Contractual Services	155,819	140,259	(15,560)
Debt Service			
Principal	135,000	135,000	-
Interest and Fiscal Charges	80,280	80,280	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	371,099	355,539	(15,560)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 192,877</u>	206,012	<u>\$ 13,135</u>
FUND BALANCE, JANUARY 1		<hr/> 373,361	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 579,373</u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOREIGN FIRE INSURANCE FUND**

For the Year Ended December 31, 2018

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Investment Income	\$ 25	\$ 355	\$ 330
Miscellaneous	21,000	31,566	10,566
Total Revenues	21,025	31,921	10,896
<b>EXPENDITURES</b>			
Current			
Public Safety			
Contractual Services	22,300	4,296	(18,004)
Capital Outlay	8,200	4,703	(3,497)
Total Expenditures	30,500	8,999	(21,501)
NET CHANGE IN FUND BALANCE	<u>\$ (9,475)</u>	22,922	<u>\$ 32,397</u>
FUND BALANCE, JANUARY 1		<u>32,340</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 55,262</u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
OVERWEIGHT TRUCK PERMITS FUND**

For the Year Ended December 31, 2018

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Licenses and Permits	\$ 50,000	\$ 38,902	\$ (11,098)
Investment Income	50	521	471
Total Revenues	<u>50,050</u>	<u>39,423</u>	<u>(10,627)</u>
<b>EXPENDITURES</b>			
Current			
Public Works			
Contractual Services	<u>6,600</u>	<u>1,044</u>	<u>(5,556)</u>
Total Expenditures	<u>6,600</u>	<u>1,044</u>	<u>(5,556)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>43,450</u>	<u>38,379</u>	<u>(5,071)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	<u>(87,000)</u>	<u>-</u>	<u>87,000</u>
Total Other Financing Sources (Uses)	<u>(87,000)</u>	<u>-</u>	<u>87,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (43,550)</u>	<u>38,379</u>	<u>\$ 81,929</u>
FUND BALANCE, JANUARY 1		<u>39,953</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 78,332</u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DOWNTOWN TIF FUND**

For the Year Ended December 31, 2018

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 71,758	\$ 69,212	\$ (2,546)
Total Revenues	<u>71,758</u>	<u>69,212</u>	<u>(2,546)</u>
<b>EXPENDITURES</b>			
Current			
General Government			
Other Services	15,000	15,532	532
Total Expenditures	<u>15,000</u>	<u>15,532</u>	<u>532</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 56,758</u>	<u>53,680</u>	<u>\$ (3,078)</u>
<b>FUND BALANCE (DEFICIT), JANUARY 1</b>		<u>(213,427)</u>	
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>		<u>\$ (159,747)</u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL IMPROVEMENT FUND

For the Year Ended December 31, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 369,607	\$ 369,607
Investment Income	500	7,498	6,998
	<hr/>	<hr/>	<hr/>
Total Revenues	500	377,105	376,605
<b>EXPENDITURES</b>			
General Government			
Contractual Services	750	115,583	114,833
Capital Outlay	5,653,000	1,035,853	(4,617,147)
Debt Service			
Principal	170,000	170,000	-
Interest and Fiscal Charges	53,188	53,188	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	5,876,938	1,374,624	(4,502,314)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<hr/>	<hr/>	<hr/>
	(5,876,438)	(997,519)	4,878,919
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,176,188	989,557	(186,631)
Bonds Issued	-	4,500,000	4,500,000
Premium on Bonds Issued	-	128,005	
Proceeds from Sale of Capital Assets	-	203,802	203,802
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	1,176,188	5,821,364	4,517,171
<b>NET CHANGE IN FUND BALANCE</b>	<hr/>	<hr/>	<hr/>
	<u>\$ (4,700,250)</u>	4,823,845	<u>\$ 9,396,090</u>
<b>FUND BALANCE (DEFICIT), JANUARY 1</b>		<hr/>	<hr/>
		(400,133)	
<b>FUND BALANCE, DECEMBER 31</b>		<hr/>	<hr/>
		\$ 4,423,712	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
AMBULANCE REPLACEMENT FUND**

For the Year Ended December 31, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>			
Investment Income	\$ -	\$ 1,368	\$ 1,368
Total Revenues	<u>-</u>	<u>1,368</u>	<u>1,368</u>
<b>EXPENDITURES</b>			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>1,368</u>	<u>1,368</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>143,000</u>	<u>143,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>143,000</u>	<u>143,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 143,000</u>	<u>144,368</u>	<u>\$ 1,368</u>
FUND BALANCE, JANUARY 1		<u>60,711</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 205,079</u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STORMWATER FUND**

For the Year Ended December 31, 2018

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Charges for Services	\$ 24,000	\$ 24,844	\$ 844
Investment Income	100	1,149	1,049
Total Revenues	<u>24,100</u>	<u>25,993</u>	<u>1,893</u>
<b>EXPENDITURES</b>			
Current			
Public Works			
Contractual Services	9,500	2,500	(7,000)
Capital Outlay	10,000	3,107	(6,893)
Total Expenditures	<u>19,500</u>	<u>5,607</u>	<u>(13,893)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,600</u>	20,386	<u>\$ 15,786</u>
FUND BALANCE, JANUARY 1		<u>108,260</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 128,646</u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
UTILITY TAX FUND**

For the Year Ended December 31, 2018

---

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Utility Taxes	\$ 450,000	\$ 444,058	\$ (5,942)
Investment Income	1,200	8,916	7,716
	<hr/>	<hr/>	<hr/>
Total Revenues	451,200	452,974	1,774
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<hr/>	<hr/>	<hr/>
	451,200	452,974	1,774
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	(1,205,000)	(34,174)	1,170,826
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(1,205,000)	(34,174)	1,170,826
	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (753,800)</u>	418,800	<u>\$ 1,172,600</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>712,701</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 1,131,501</u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SALES TAX FUND**

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Sales Tax	\$ 997,000	\$ 1,032,858	\$ 35,858
Investment Income	-	24,648	24,648
	<hr/>	<hr/>	<hr/>
Total Revenues	997,000	1,057,506	60,506
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	997,000	1,057,506	60,506
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	(2,192,000)	(626,735)	1,565,265
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(2,192,000)	(626,735)	1,565,265
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (1,195,000)</u>	430,771	<u>\$ 1,625,771</u>
FUND BALANCE, JANUARY 1		<u>1,711,158</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u><u>\$ 2,141,929</u></u>	

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GOLF COURSE FUND**

For the Year Ended December 31, 2018

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Charges For Services	\$ 218,500	\$ 188,389	\$ (30,111)
Investment Income	-	904	904
Miscellaneous	78,500	78,383	(117)
	<hr/>	<hr/>	<hr/>
Total Revenues	297,000	267,676	(29,324)
<b>EXPENDITURES</b>			
Current			
Conservation and Development			
Personal Services	189,092	181,158	(7,934)
Commodities	62,300	55,052	(7,248)
Contractual Services	80,100	72,325	(7,775)
Miscellaneous	5,500	7,727	2,227
Capital Outlay	35,000	7,928	(27,072)
Debt Service			
Principal	-	4,668	4,668
	<hr/>	<hr/>	<hr/>
Total Expenditures	371,992	328,858	(43,134)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<hr/>	<hr/>	<hr/>
	(74,992)	(61,182)	13,810
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	75,000	75,000	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	75,000	75,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<hr/>	<hr/>	<hr/>
	\$ 8	13,818	\$ 13,810
<b>FUND BALANCE, JANUARY 1</b>		<hr/>	
		35,121	
<b>FUND BALANCE, DECEMBER 31</b>		<hr/>	
		\$ 48,939	

(See independent auditor's report.)

**NONMAJOR ENTERPRISE FUNDS**

**CITY OF ROCHELLE, ILLINOIS**

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS**

December 31, 2018

	<b>Landfill</b>	<b>Airport</b>	<b>Total Nonmajor Enterprise</b>
<b>CURRENT ASSETS</b>			
Cash and Investments	\$ 3,222,159	\$ 56,249	\$ 3,278,408
Receivables			
Property Taxes	-	61,146	61,146
Accounts	100,022	104,641	204,663
Prepaid Expenses	-	513	513
Inventory	-	21,456	21,456
Restricted Assets			
Cash Held at Paying Agent	-	48,953	48,953
<b>Total Current Assets</b>	<b>3,322,181</b>	<b>292,958</b>	<b>3,615,139</b>
<b>NONCURRENT ASSETS</b>			
None	-	-	-
<b>Subtotal Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL ASSETS</b>			
Nondepreciable	708,563	1,451,597	2,160,160
Depreciable	453,185	4,914,201	5,367,386
Accumulated Depreciation	(342,122)	(2,804,863)	(3,146,985)
<b>Total Capital Assets</b>	<b>819,626</b>	<b>3,560,935</b>	<b>4,380,561</b>
<b>Total Noncurrent Assets</b>	<b>819,626</b>	<b>3,560,935</b>	<b>4,380,561</b>
<b>Total Assets</b>	<b>4,141,807</b>	<b>3,853,893</b>	<b>7,995,700</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Items - IMRF	-	13,534	13,534
Unamortized Loss on Refunding	-	23,430	23,430
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>36,964</b>	<b>36,964</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>4,141,807</b>	<b>3,890,857</b>	<b>8,032,664</b>

(This schedule is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS (Continued)

December 31, 2018

	<b>Landfill</b>	<b>Airport</b>	<b>Total Nonmajor Enterprise</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 38,738	\$ 132,924	\$ 171,662
Accrued Payroll	48	373	421
Accrued Interest Payable	-	8,953	8,953
General Obligation Bonds Payable	-	40,000	40,000
OPEB Liability	-	3,495	3,495
Compensated Absences Payable	-	5,509	5,509
<b>Total Current Liabilities</b>	<b>38,786</b>	<b>191,254</b>	<b>230,040</b>
<b>LONG-TERM LIABILITIES</b>			
Net Pension Liability	-	11,513	11,513
OPEB Liability	-	8,749	8,749
General Obligation Bonds Payable	-	510,000	510,000
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>530,262</b>	<b>530,262</b>
<b>Total Liabilities</b>	<b>38,786</b>	<b>721,516</b>	<b>760,302</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Items - IMRF	-	37,167	37,167
OPEB Items	-	346	346
Deferred Property Taxes	-	61,146	61,146
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>98,659</b>	<b>98,659</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>38,786</b>	<b>820,175</b>	<b>858,961</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	819,626	3,034,365	3,853,991
Unrestricted	3,283,395	36,317	3,319,712
<b>TOTAL NET POSITION</b>	<b>\$ 4,103,021</b>	<b>\$ 3,070,682</b>	<b>\$ 7,173,703</b>

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2018

	<u>Landfill</u>	<u>Airport</u>	<u>Total Nonmajor Enterprise</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 656,506	\$ 367,352	\$ 1,023,858
Total Operating Revenues	<u>656,506</u>	<u>367,352</u>	<u>1,023,858</u>
<b>OPERATING EXPENSES</b>			
Personal Services	8,869	148,392	157,261
Commodities	-	240,379	240,379
Contractual Services	353,197	71,936	425,133
Depreciation Amortization	17,546	160,823	178,369
Total Operating Expenses	<u>379,612</u>	<u>621,530</u>	<u>1,001,142</u>
OPERATING INCOME (LOSS)	<u>276,894</u>	<u>(254,178)</u>	<u>22,716</u>
<b>OTHER INCOME (EXPENSE)</b>			
Taxes	-	19,287	19,287
Investment Income	32,636	723	33,359
Interest Expense	-	(20,216)	(20,216)
Total Other Income (Expense)	<u>32,636</u>	<u>(206)</u>	<u>32,430</u>
NET INCOME (LOSS) BEFORE TRANSFERS, CAPITAL GRANTS AND CONTRIBUTIONS	<u>309,530</u>	<u>(254,384)</u>	<u>55,146</u>
<b>TRANSFERS</b>			
Transfers In	-	190,000	190,000
Transfers (Out)	(10,000)	-	(10,000)
Total Transfers	<u>(10,000)</u>	<u>190,000</u>	<u>180,000</u>
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	<u>-</u>	<u>180,706</u>	<u>180,706</u>
CHANGE IN NET POSITION	299,530	116,322	415,852
NET POSITION, JANUARY 1	<u>3,803,491</u>	<u>2,969,717</u>	<u>6,773,208</u>
Prior Period Adjustment	-	(15,357)	(15,357)
NET POSITION, JANUARY 1, RESTATED	<u>3,803,491</u>	<u>2,954,360</u>	<u>6,757,851</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 4,103,021</u>	<u>\$ 3,070,682</u>	<u>\$ 7,173,703</u>

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2018

	<b>Landfill</b>	<b>Airport</b>	<b>Total Nonmajor Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 658,675	\$ 366,450	\$ 1,025,125
Payments to Suppliers	(337,605)	(296,949)	(634,554)
Payments to Employees	(8,844)	(141,096)	(149,940)
Payments to Other Funds	-	(20,117)	(20,117)
Net Cash from Operating Activities	<u>312,226</u>	<u>(91,712)</u>	<u>220,514</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Receipts from Property Taxes	-	19,287	19,287
Transfers (to) from Other Funds	(10,000)	190,000	180,000
Net Cash from Noncapital Financing Activities	<u>(10,000)</u>	<u>209,287</u>	<u>199,287</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital Assets Purchased	-	(116,036)	(116,036)
Principal Payments on Long-Term Debt	-	(45,000)	(45,000)
Interest Payments on Long-Term Debt	-	(13,085)	(13,085)
Grant Receipts	-	79,993	79,993
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>(94,128)</u>	<u>(94,128)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	<u>32,636</u>	<u>723</u>	<u>33,359</u>
Net Cash from Investing Activities	<u>32,636</u>	<u>723</u>	<u>33,359</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	334,862	24,170	359,032
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,887,297</u>	<u>32,079</u>	<u>2,919,376</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u><b>\$ 3,222,159</b></u>	<u><b>\$ 56,249</b></u>	<u><b>\$ 3,278,408</b></u>

(This schedule is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF CASH FLOWS (Continued)  
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2018

	<u>Landfill</u>	<u>Airport</u>	<u>Total Nonmajor Enterprise</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 276,894	\$ (254,178)	\$ 22,716
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities			
Depreciation and amortization	17,546	160,823	178,369
Changes in Assets and Liabilities			
Accounts Receivables	2,169	(902)	1,267
Inventory	-	18,649	18,649
Pension Items - IMRF	-	8,930	8,930
Pension Items - OPEB	-	(2,767)	(2,767)
Accounts Payable	15,592	(23,400)	(7,808)
Accrued Payroll	25	373	398
Compensated Absences	-	760	760
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 312,226</b>	<b>\$ (91,712)</b>	<b>\$ 220,514</b>
<b>CASH AND INVESTMENTS</b>			
Cash and Cash Equivalents	\$ 3,222,159	\$ 56,249	\$ 3,278,408
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 3,222,159</b>	<b>\$ 56,249</b>	<b>\$ 3,278,408</b>

(See independent auditor's report.)

**INTERNAL SERVICE FUNDS**

**CITY OF ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS

December 31, 2018

	<b>Administrative Services</b>	<b>Network Administration</b>	<b>Total Internal Service Funds</b>
<b>CURRENT ASSETS</b>			
Receivables			
Other	\$ 61,270	\$ -	\$ 61,270
Prepaid Expenses	14,299	-	14,299
<b>Total Current Assets</b>	<b>75,569</b>	<b>-</b>	<b>75,569</b>
<b>NONCURRENT ASSETS</b>			
None	-	-	-
<b>Subtotal Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL ASSETS</b>			
Depreciable	116,880	-	116,880
Accumulated Depreciation	(116,880)	-	(116,880)
<b>Total Capital Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>75,569</b>	<b>-</b>	<b>75,569</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
None	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>75,569</b>	<b>-</b>	<b>75,569</b>

(This statement is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS (Continued)

December 31, 2018

	<b>Administrative Services</b>	<b>Network Administration</b>	<b>Total Internal Service Funds</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 87,451	\$ 6,476	\$ 93,927
Accrued Payroll	2,993	-	2,993
Due to Other Funds	11,388	39,591	50,979
Compensated Absences Payable	26,244	5,654	31,898
<b>Total Current Liabilities</b>	<b>128,076</b>	<b>51,721</b>	<b>179,797</b>
<b>LONG-TERM LIABILITIES</b>			
None	-	-	-
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>128,076</b>	<b>51,721</b>	<b>179,797</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
None	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>128,076</b>	<b>51,721</b>	<b>179,797</b>
<b>NET POSITION</b>			
Unrestricted (Deficit)	(52,507)	(51,721)	(104,228)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (52,507)</b>	<b>\$ (51,721)</b>	<b>\$ (104,228)</b>

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2018

	<b>Administrative Services</b>	<b>Network Administration</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 629,818	\$ 347,946	\$ 977,764
Miscellaneous	45	-	45
<b>Total Operating Revenues</b>	<b>629,863</b>	<b>347,946</b>	<b>977,809</b>
<b>OPERATING EXPENSES</b>			
Administration	625,889	188,081	813,970
Commodities	-	72,838	72,838
Contractual Services	-	223,680	223,680
<b>Total Operating Expenses</b>	<b>625,889</b>	<b>484,599</b>	<b>1,110,488</b>
<b>OPERATING INCOME (LOSS)</b>	<b>3,974</b>	<b>(136,653)</b>	<b>(132,679)</b>
<b>CHANGE IN NET POSITION</b>	<b>3,974</b>	<b>(136,653)</b>	<b>(132,679)</b>
<b>NET POSITION (DEFICIT), JANUARY 1</b>	<b>(56,481)</b>	<b>84,932</b>	<b>28,451</b>
<b>NET POSITION (DEFICIT), DECEMBER 31</b>	<b>\$ (52,507)</b>	<b>\$ (51,721)</b>	<b>\$ (104,228)</b>

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2018

	<b>Administrative Services</b>	<b>Network Administration</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Interfund Service Transactions	\$ 651,213	\$ 416,079	\$ 1,067,292
Payments to Suppliers	(136,688)	(284,733)	(421,421)
Payments to Employees	(490,712)	(185,397)	(676,109)
Net Cash from Operating Activities	<u>23,813</u>	<u>(54,051)</u>	<u>(30,238)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Payments of Loans from Other Funds	(35,201)	-	(35,201)
Receipts of Loans from Other Funds	11,388	39,591	50,979
Net Cash from Noncapital Financing Activities	<u>(23,813)</u>	<u>39,591</u>	<u>15,778</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None	-	-	-
Net Cash from Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
None	-	-	-
Net Cash from Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(14,460)	(14,460)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>-</u>	<u>14,460</u>	<u>14,460</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(This statement is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF CASH FLOWS (Continued)  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2018

	<u>Administrative</u>	<u>Network</u>	<u>Total</u>
	<u>Services</u>	<u>Administration</u>	<u>Internal</u>
			<u>Service Funds</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>			
<b>TO NET CASH FLOWS FROM</b>			
<b>OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 3,974	\$ (136,653)	\$ (132,679)
Adjustments to Reconcile Operating Income (Loss)			
to Net Cash From Operating Activities			
Changes in Assets and Liabilities			
Accounts Receivables	21,350	68,133	89,483
Prepaid Expenses	(12,372)	22,659	10,287
Accounts Payable	5,511	(10,874)	(5,363)
Accrued Payroll	2,993	-	2,993
Compensated Absences	2,357	2,684	5,041
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 23,813</u>	<u>\$ (54,051)</u>	<u>\$ (30,238)</u>

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

**CITY OF ROCHELLE, ILLINOIS**

**COMBINING STATEMENT OF PLAN NET POSITION  
PENSION TRUST FUNDS**

December 31, 2018

	<b>Pension Trust</b>		<b>Total</b>
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 440,793	\$ 148,037	\$ 588,830
Investments, at Fair Value			
U.S. Treasury Securities	1,174,532	523,891	1,698,423
U.S. Agency Securities	614,615	3,031,315	3,645,930
Equity Mutual Funds	-	3,392,778	3,392,778
Fixed Income Mutual Funds	1,030,332	-	1,030,332
Corporate Bonds	1,887,662	476,929	2,364,591
Municipal Bonds	10,070	703,272	713,342
Equities	5,279,375	-	5,279,375
Annuity Contracts	-	187,736	187,736
Receivables			
Accrued Interest	36,826	31,079	67,905
<b>Total Assets</b>	<b>10,474,205</b>	<b>8,495,037</b>	<b>18,969,242</b>
<b>LIABILITIES</b>			
None	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 10,474,205</b>	<b>\$ 8,495,037</b>	<b>\$ 18,969,242</b>

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION  
PENSION TRUST FUNDS**

For the Year Ended December 31, 2018

	<b>Pension Trust</b>		<b>Total</b>
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	
<b>ADDITIONS</b>			
Contributions			
Employer Contributions	\$ 556,593	\$ 463,931	\$ 1,020,524
Employee Contributions	142,282	101,913	244,195
<b>Total Contributions</b>	<b>698,875</b>	<b>565,844</b>	<b>1,264,719</b>
Investment Income			
Net Depreciation in Fair Value of Investments	(912,029)	(577,438)	(1,489,467)
Interest	335,792	345,879	681,671
<b>Total Investment Income</b>	<b>(576,237)</b>	<b>(231,559)</b>	<b>(807,796)</b>
Less Investment Expense	(24,788)	(19,078)	(43,866)
<b>Net Investment Income</b>	<b>(601,025)</b>	<b>(250,637)</b>	<b>(851,662)</b>
<b>Total Additions</b>	<b>97,850</b>	<b>315,207</b>	<b>413,057</b>
<b>DEDUCTIONS</b>			
Benefits and Refunds	879,106	737,152	1,616,258
Administrative Expenses	22,890	21,478	44,368
<b>Total Deductions</b>	<b>901,996</b>	<b>758,630</b>	<b>1,660,626</b>
<b>NET DECREASE</b>	<b>(804,146)</b>	<b>(443,423)</b>	<b>(1,247,569)</b>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1	11,278,351	8,938,460	20,216,811
December 31	\$ 10,474,205	\$ 8,495,037	\$ 18,969,242

(See independent auditor's report.)

**SUPPLEMENTARY INFORMATION**

**CITY OF ROCHELLE, ILLINOIS**

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT  
 CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended December 31, 2018

<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
494-60-0327	Airport Improvement Program - Airport Ramp Reconstruction	\$ 2,811	\$ 50,605	\$ 2,811	\$ 56,227
494-60-0327	Airport Improvement Program - Conduct Airport Master Plan	6,094	95,433	6,094	107,621
420-75-0070	Community Development Block Grant Program - Meadowbrook	-	234,344	27,556	261,900
494-81-1597	State Rail Grant Program	777,322	1,011,567	281,124	2,070,013
494-00-1488	Motor Fuel Tax Program	98,857	-		98,857
	Other grant programs and activities	-	137,727	-	137,727
	All other costs not allocated	-	-	56,965,412	54,843,135
<b>TOTALS</b>		<u>\$ 885,084</u>	<u>\$ 1,529,676</u>	<u>\$ 57,282,997</u>	<u>\$ 57,575,480</u>

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the City of Rochelle, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	132-141
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax and property tax.	142-145
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	146-150
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	151-152
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	153-157

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

**CITY OF ROCHELLE, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 31,233,702	\$ 32,486,431	\$ 35,209,156	\$ 45,652,694
Restricted	3,346,501	3,136,885	2,714,044	2,153,415
Unrestricted	3,454,217	904,527	(397,013)	(1,720,909)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 38,034,420</b>	<b>\$ 36,527,843</b>	<b>\$ 37,526,187</b>	<b>\$ 46,085,200</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 45,629,528	\$ 47,880,962	\$ 51,245,063	\$ 54,389,403
Restricted	10,420,612	11,479,611	11,056,287	10,475,599
Unrestricted	14,096,522	16,805,412	19,458,333	19,281,545
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 70,146,662</b>	<b>\$ 76,165,985</b>	<b>\$ 81,759,683</b>	<b>\$ 84,146,547</b>
<b>PRIMARY GOVERNMENT</b>				
Net Investment in Capital Assets	\$ 76,863,230	\$ 80,367,393	\$ 86,454,219	\$ 100,042,097
Restricted	13,767,113	14,616,496	13,770,331	12,629,014
Unrestricted	17,550,739	17,709,939	19,061,320	17,560,636
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 108,181,082</b>	<b>\$ 112,693,828</b>	<b>\$ 119,285,870</b>	<b>\$ 130,231,747</b>

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

Data Source

Audited Financial Statements

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2016*</b>	<b>2017</b>	<b>2018</b>
\$ 46,244,092	\$ 48,124,038	\$ 49,182,739	\$ 50,119,377	\$ 49,454,386	\$ 51,569,571
2,601,692	2,173,047	1,880,549	2,793,415	3,603,895	9,321,676
(955,731)	(1,516,370)	(10,770,965)	(11,717,240)	(10,156,454)	(15,107,508)
<b>\$ 47,890,053</b>	<b>\$ 48,780,715</b>	<b>\$ 40,292,323</b>	<b>\$ 41,195,552</b>	<b>\$ 42,901,827</b>	<b>\$ 45,783,739</b>
\$ 57,684,867	\$ 57,302,570	\$ 63,145,375	\$ 66,767,303	\$ 66,624,091	\$ 68,151,628
12,873,509	10,930,174	8,406,663	6,791,996	7,581,483	8,564,665
16,046,361	19,307,149	16,529,457	18,127,812	19,287,555	20,199,507
<b>\$ 86,604,737</b>	<b>\$ 87,539,893</b>	<b>\$ 88,081,495</b>	<b>\$ 91,687,111</b>	<b>\$ 93,493,129</b>	<b>\$ 96,915,800</b>
\$ 103,928,959	\$ 105,426,608	\$ 112,328,114	\$ 116,886,680	\$ 116,078,477	\$ 119,721,199
15,475,201	13,103,221	10,287,212	9,585,411	11,185,378	17,886,341
15,090,630	17,790,779	5,758,492	6,410,572	9,131,101	5,091,999
<b>\$ 134,494,790</b>	<b>\$ 136,320,608</b>	<b>\$ 128,373,818</b>	<b>\$ 132,882,663</b>	<b>\$ 136,394,956</b>	<b>\$ 142,699,539</b>

**CITY OF ROCHELLE, ILLINOIS**

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2010**</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>EXPENSES</b>				
Governmental Activities				
General Government	\$ 1,950,767	\$ 2,196,004	\$ 1,984,007	\$ 2,061,279
Public Safety	4,237,541	4,312,468	4,715,710	5,034,276
Public Works	3,245,912	3,418,490	4,219,449	4,841,587
Public Service Enterprises	114,165	123,050	136,065	138,179
Conservation and Development	373,212	2,009,540	2,148,272	514,955
Interest	-	124,897	167,859	180,611
Total Governmental Activities Expenses	<u>9,921,597</u>	<u>12,184,449</u>	<u>13,371,362</u>	<u>12,770,887</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Electric	23,805,717	20,856,403	23,599,387	27,290,007
Water and Water Reclamation	3,841,246	3,792,934	3,906,034	3,989,355
Communications	1,385,080	995,213	847,598	1,104,006
Technology Center	-	419,894	431,483	564,706
Landfill	392,533	450,491	397,471	452,664
Airport	327,708	416,249	766,300	611,097
Total Business-Type Activities Expenses	<u>29,752,284</u>	<u>26,931,184</u>	<u>29,948,273</u>	<u>34,011,835</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u>\$ 39,673,881</u>	<u>\$ 39,115,633</u>	<u>\$ 43,319,635</u>	<u>\$ 46,782,722</u>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 559,303	\$ 784,120	\$ 726,043	\$ 562,912
Public Safety	518,090	571,893	652,764	654,474
Public Works	288,333	277,489	310,538	277,273
Public Service Enterprises	50,957	43,761	37,253	45,047
Operating Grants and Contributions	243,436	428,029	316,878	311,353
Capital Grants and Contributions	1,621,522	41,255	3,855,271	10,852,788
Total Governmental Activities Program Revenues	<u>3,281,641</u>	<u>2,146,547</u>	<u>5,898,747</u>	<u>12,703,847</u>
Business-Type Activities				
Charges for Services				
Electric	27,710,497	24,929,112	27,399,527	28,677,373
Water and Water Reclamation	4,698,794	4,740,039	4,710,716	4,895,848
Communications	1,176,630	951,319	947,423	962,487
Technology Center	-	486,759	565,308	626,084
Landfill	772,976	654,873	662,243	981,632
Airport	130,168	192,519	462,822	384,818
Operating Grants and Contributions	20,534	-	-	-
Capital Grants and Contributions	724,986	2,754,075	2,601,474	1,516,037
Total Business-Type Activities Program Revenues	<u>35,234,585</u>	<u>34,708,696</u>	<u>37,349,513</u>	<u>38,044,279</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u>\$ 38,516,226</u>	<u>\$ 36,855,243</u>	<u>\$ 43,248,260</u>	<u>\$ 50,748,126</u>

2014	2015	2016	2016*	2017	2018
\$ 1,991,208	\$ 2,024,267	\$ 2,413,156	\$ 2,371,762	\$ 2,223,886	\$ 2,625,102
5,240,013	5,506,420	6,846,217	4,865,637	6,178,925	7,114,566
3,643,889	3,975,074	3,746,863	2,545,336	3,476,945	3,890,595
277,549	162,196	198,816	115,159	119,565	230,942
374,558	534,560	792,489	629,061	726,054	657,933
172,584	84,999	130,792	91,162	134,347	141,853
11,699,801	12,287,516	14,128,333	10,618,117	12,859,722	14,660,991
30,900,842	34,790,641	35,706,844	23,889,662	36,247,916	35,119,696
4,198,382	4,235,635	4,284,257	3,086,559	4,682,269	5,624,050
834,028	815,032	724,692	476,654	-	-
815,123	875,591	930,401	646,669	1,184,320	1,149,385
502,936	577,716	827,404	471,220	567,450	379,612
739,131	536,528	592,585	491,928	583,104	641,746
37,990,442	41,831,143	43,066,183	29,062,692	43,265,059	42,914,489
\$ 49,690,243	\$ 54,118,659	\$ 57,194,516	\$ 39,680,809	\$ 56,124,781	\$ 57,575,480
\$ 715,864	\$ 1,063,522	\$ 1,823,521	\$ 1,162,738	\$ 2,505,643	\$ 2,536,084
489,758	695,058	492,360	394,864	546,731	690,712
338,940	335,859	243,586	238,358	324,057	423,402
45,374	40,478	50,895	223,469	234,906	214,115
292,235	252,066	271,822	253,482	354,304	383,263
1,131,988	774,261	633,615	308,156	5,606	1,788,889
3,014,159	3,161,244	3,515,799	2,581,067	3,971,247	6,036,465
31,727,508	33,991,035	37,475,729	26,749,579	38,988,537	39,026,749
5,020,871	5,640,153	5,050,143	3,870,287	6,175,344	6,183,478
831,694	680,050	628,911	343,615	-	-
1,127,944	1,359,234	1,185,971	761,308	1,287,994	1,394,169
1,178,675	1,396,251	1,233,518	840,940	807,633	656,506
462,817	415,736	361,269	443,835	308,849	367,352
-	-	-	-	-	-
1,655,641	803,867	25,511	1,294,396	1,881	905,050
42,005,150	44,286,326	45,961,052	34,303,960	47,570,238	48,533,304
\$ 45,019,309	\$ 47,447,570	\$ 49,476,851	\$ 36,885,027	\$ 51,541,485	\$ 54,569,769

**CITY OF ROCHELLE, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2010**</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>NET (EXPENSE) REVENUE</b>				
Governmental Activities	\$ (6,639,956)	\$ (10,037,902)	\$ (7,472,615)	\$ (67,040)
Business-Type Activities	5,482,301	7,777,512	7,401,240	4,032,444
<b>TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES)</b>	<b>\$ (1,157,655)</b>	<b>\$ (2,260,390)</b>	<b>\$ (71,375)</b>	<b>\$ 3,965,404</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property and Replacement	\$ 1,889,327	\$ 1,974,363	\$ 1,968,013	\$ 2,160,763
Sales and Use	2,403,416	2,632,904	2,769,309	2,874,151
Telecommunications	348,392	427,963	350,589	419,475
Hotel/Motel	159,410	182,649	202,782	214,837
Utility	343,304	366,631	362,786	350,293
Other	-	58,759	17,040	40,440
Shared Income Tax	748,490	734,758	778,540	862,814
Intergovernmental - Unrestricted	-	-	-	-
Investment Income	53,718	35,049	15,762	8,689
Miscellaneous	49,611	70,095	43,903	27,949
Gain on Sale of Capital Assets	-	-	-	-
Transfers In	1,709,418	2,048,154	1,962,235	1,666,642
Total Governmental Activities	7,705,086	8,531,325	8,470,959	8,626,053
Business-Type Activities				
Property and Replacement	-	-	-	-
Investment Income	290,761	195,532	45,097	37,417
Miscellaneous	65,419	94,433	109,596	127,225
Transfers	(1,709,418)	(2,048,154)	(1,962,235)	(1,666,642)
Total Business-Type Activities	(1,353,238)	(1,758,189)	(1,807,542)	(1,502,000)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 6,351,848</b>	<b>\$ 6,773,136</b>	<b>\$ 6,663,417</b>	<b>\$ 7,124,053</b>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ 1,065,130	\$ (1,506,577)	\$ 998,344	\$ 8,559,013
Business-Type Activities	4,129,063	6,019,323	5,593,698	2,530,444
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 5,194,193</b>	<b>\$ 4,512,746</b>	<b>\$ 6,592,042</b>	<b>\$ 11,089,457</b>

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Data Source

Audited Financial Statements

2014	2015	2016	2016*	2017	2018
\$ (8,685,642)	\$ (9,126,272)	\$ (10,612,534)	\$ (8,037,050)	\$ (8,888,475)	\$ (8,624,526)
4,014,708	2,455,183	2,894,869	5,241,268	4,305,179	5,618,815
\$ (4,670,934)	\$ (6,671,089)	\$ (7,717,665)	\$ (2,795,782)	\$ (4,583,296)	\$ (3,005,711)
\$ 2,605,811	\$ 2,826,331	\$ 3,069,810	\$ 3,120,172	\$ 3,376,985	\$ 3,455,154
3,161,390	3,081,073	3,023,254	2,092,098	3,103,976	3,379,510
394,192	409,595	365,031	241,024	298,393	304,444
199,768	212,328	240,367	176,766	225,959	252,426
378,945	373,430	358,799	243,024	385,033	444,058
99,417	128,027	144,399	109,493	158,963	177,277
932,950	937,626	1,020,325	581,502	879,364	916,864
-	-	-	78,747	78,022	369,607
3,483	3,581	5,962	7,884	33,906	123,024
99,939	81,894	43,588	423,491	67,454	133,531
-	-	10,400	-	10,249	168,845
1,949,164	1,963,096	2,161,975	1,866,078	2,353,969	2,076,297
9,825,059	10,016,981	10,443,910	8,940,279	10,972,273	11,801,037
58,912	57,837	58,563	63,084	61,739	19,287
35,054	31,851	43,871	28,917	95,728	301,569
96,902	353,381	642,203	138,425	354,412	250,360
(1,949,164)	(1,963,096)	(2,161,975)	(1,866,078)	(2,353,969)	(2,076,297)
(1,758,296)	(1,520,027)	(1,417,338)	(1,635,652)	(1,842,090)	(1,505,081)
\$ 8,066,763	\$ 8,496,954	\$ 9,026,572	\$ 7,304,627	\$ 9,130,183	\$ 10,295,956
\$ 1,139,417	\$ 890,709	\$ (168,624)	\$ 903,229	\$ 2,083,798	\$ 3,176,511
2,256,412	935,156	1,477,531	3,605,616	2,463,089	4,113,734
\$ 3,395,829	\$ 1,825,865	\$ 1,308,907	\$ 4,508,845	\$ 4,546,887	\$ 7,290,245

**CITY OF ROCHELLE, ILLINOIS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012**	2013
<b>GENERAL FUND</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted				
Cemetery	-	-	114,786	150,081
Community Development	-	-	-	-
Unassigned	-	-	1,666,585	1,633,858
Reserved				
Cemetery	150,587	150,587	-	-
Noncurrent Interfunds	-	-	-	-
Unreserved				
Designated	-	-	-	-
Undesignated	1,553,850	1,658,810	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 1,704,437</b>	<b>\$ 1,809,397</b>	<b>\$ 1,781,371</b>	<b>\$ 1,783,939</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable Prepaid Items	\$ -	\$ -	\$ 231,445	\$ 85,262
Restricted				
Maintenance of Roadways	-	-	572,821	557,533
Tourism	-	-	80,970	68,898
Employee Retirement	-	-	-	-
Insurance	-	-	-	-
Capital Improvements	-	-	1,831,206	1,343,870
Economic Development	-	-	49,480	-
Specific Purposes	-	-	1,099	-
Public Safety	-	-	-	33,033
Unrestricted				
Committed - Ambulance Replacement	-	-	139,702	-
Assigned - Ambulance Replacement	-	-	521,931	368,127
Assigned - Stormwater	-	-	332,081	301,017
Assigned - Railroad	-	-	231,580	-
Assigned - Capital Purposes	-	-	45,430	42,433
Unassigned	-	-	(761,279)	(1,528,752)
Reserved				
Prepaid Items	174,436	160,533	-	-
Encumbrances	-	-	-	-
Maintenance of Roadways	318,896	231,058	-	-
Economic Development	-	1,285,461	-	-
Tourism	42,744	74,632	-	-
Stormwater	471,570	303,906	-	-
Railroad	375,094	478,785	-	-
Capital Improvements	1,957,497	1,572,045	-	-
Employee Retirement	16,785	1,416	-	-
Public Safety	-	57,508	-	-
Unreserved				
Designated - Special Revenue Funds	-	-	-	-
Designated - Capital Projects Funds	-	-	-	-
Undesignated - Special Revenue Funds	662,414	394,871	-	-
Undesignated - Capital Projects Funds	531,410	92,660	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 4,550,846</b>	<b>\$ 4,652,875</b>	<b>\$ 3,276,466</b>	<b>\$ 1,271,421</b>

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

\*\*The City implemented GASB Statement No. 54 for the fiscal year ended April 30, 2012.

Data Source

Audited Financial Statements



**CITY OF ROCHELLE, ILLINOIS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>REVENUES</b>				
Taxes	\$ 5,902,149	\$ 6,378,028	\$ 5,653,479	\$ 6,038,257
Licenses and Permits	242,025	409,189	337,529	214,563
Intergovernmental	1,648,868	313,884	4,324,922	5,771,389
Charges for Services	980,909	1,062,705	1,164,543	1,120,525
Fines and Forfeitures	136,744	126,109	118,596	140,596
Investment Income	53,718	35,049	15,762	8,689
Miscellaneous	91,144	299,288	792,640	110,898
<b>TOTAL REVENUES</b>	<b>9,055,557</b>	<b>8,624,252</b>	<b>12,407,471</b>	<b>13,404,917</b>
<b>EXPENDITURES</b>				
Current				
General Government	1,844,546	1,978,377	1,878,005	1,975,333
Public Safety	3,821,495	4,285,461	4,340,991	4,893,561
Public Works	1,676,185	1,890,401	1,976,169	2,208,093
Public Service Enterprises	111,924	121,799	126,227	123,943
Conservation and Development	373,495	2,005,648	463,174	507,463
Capital Outlay	4,817,498	3,070,397	6,821,716	7,194,270
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	58,800	167,859	174,148
<b>TOTAL EXPENDITURES</b>	<b>12,645,143</b>	<b>13,410,883</b>	<b>15,774,141</b>	<b>17,076,811</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,589,586)</b>	<b>(4,786,631)</b>	<b>(3,366,670)</b>	<b>(3,671,894)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,178,633	4,331,074	3,857,182	4,083,047
Transfers (Out)	(3,469,215)	(2,282,920)	(1,894,947)	(2,416,405)
Bonds Issued	-	2,940,000	-	-
Premium on Bonds Issued	-	-	-	-
Sale of Capital Assets	5,637	5,466	-	2,775
Loan Proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,715,055</b>	<b>4,993,620</b>	<b>1,962,235</b>	<b>1,669,417</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,874,531)</b>	<b>\$ 206,989</b>	<b>\$ (1,404,435)</b>	<b>\$ (2,002,477)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	<b>0.00%</b>	<b>0.54%</b>	<b>1.44%</b>	<b>1.55%</b>

Note: The increase in the 2014 debt service as a percentage of noncapital expenditures was due to the current refunding of the Tax Increment Financing Bonds in 2014.

\*The City changed its fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Data Source

Audited Financial Statements

	2014	2015	2016	2016*	2017	2018
\$	6,817,791	\$ 7,007,823	\$ 7,182,863	\$ 5,958,206	\$ 7,484,642	\$ 7,912,091
	346,245	262,205	287,451	184,556	258,990	311,395
	1,399,886	1,963,953	1,925,762	1,221,887	1,317,296	3,458,623
	1,051,482	1,726,395	2,154,558	1,776,011	3,180,816	3,207,235
	132,548	99,198	102,461	50,823	103,713	106,399
	3,483	3,581	5,962	7,884	33,906	123,024
	201,432	151,974	128,277	455,901	199,939	473,593
	9,952,867	11,215,129	11,787,334	9,655,268	12,579,302	15,592,360
	2,099,082	1,978,273	2,264,576	1,773,811	2,315,674	2,473,148
	5,115,991	5,343,694	5,719,994	4,169,903	5,946,478	5,757,199
	1,815,695	1,998,301	2,049,433	1,372,779	1,969,887	2,122,787
	296,959	138,957	174,413	91,864	125,360	120,859
	371,996	530,128	758,724	564,957	743,017	626,328
	1,798,044	3,964,145	4,840,071	2,690,199	1,229,701	4,129,423
	3,000,000	90,000	285,000	125,000	300,000	309,668
	212,008	89,480	138,232	119,788	139,680	133,468
	14,709,775	14,132,978	16,230,443	10,908,301	12,769,797	15,672,880
	(4,756,908)	(2,917,849)	(4,443,109)	(1,253,033)	(190,495)	(80,520)
	4,155,467	5,611,857	5,435,967	3,514,282	4,041,652	3,533,855
	(2,025,908)	(2,698,761)	(2,903,950)	(1,648,204)	(1,687,683)	(1,457,558)
	2,955,000	-	2,000,000	-	-	4,500,000
	66,933	-	36,644	-	-	128,005
	-	-	10,400	-	10,249	217,329
	-	-	-	-	27,461	-
	5,151,492	2,913,096	4,579,061	1,866,078	2,391,679	6,921,631
\$	394,584	\$ (4,753)	\$ 135,952	\$ 613,045	\$ 2,201,184	\$ 6,841,111
	23.95%	1.70%	3.72%	2.82%	3.79%	3.79%

**CITY OF ROCHELLE, ILLINOIS**

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

<b>Levy Year</b>	<b>Farm Property</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>State Railroad</b>	<b>Local Railroad</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Estimated Actual Taxable Value</b>
2009	\$ 2,230,164	\$ 104,635,888	\$ 38,614,776	\$ 47,980,162	\$ 15,112,210	\$ 7,520	\$ 208,580,720	0.83491	\$ 625,804,740	33.33%
2010	2,767,461	100,367,572	39,119,561	47,657,566	15,509,994	7,520	205,429,674	0.86035	616,350,657	33.33%
2011	3,046,220	96,694,673	38,846,206	64,981,630	15,597,849	7,520	219,174,098	0.87663	657,588,053	33.33%
2012	3,073,447	91,492,076	40,876,648	67,372,730	15,949,007	7,520	218,771,428	0.94226	656,379,922	33.33%
2013	3,114,773	84,613,120	42,499,156	78,233,664	16,786,145	7,520	225,254,378	1.00483	675,830,717	33.33%
2014	3,131,074	80,191,232	43,456,382	78,870,652	16,761,683	7,520	222,418,543	1.05366	667,322,361	33.33%
2015	3,255,060	80,299,631	46,016,248	87,823,817	17,667,970	7,520	235,070,246	1.01410	705,281,266	33.33%
2016	4,885,200	81,882,208	46,606,561	88,391,613	17,648,663	7,520	239,421,765	1.05306	718,337,129	33.33%
2017	7,928,518	84,527,440	47,852,965	99,109,865	17,644,897	7,520	257,071,205	1.00775	771,290,744	33.33%
2018	6,723,087	83,935,586	42,416,179	74,220,535	17,991,900	7,520	225,294,807	1.11420	675,952,016	33.33%

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Treasurer

**CITY OF ROCHELLE, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

<b>Levy Year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>DIRECT CITY RATE</b>										
City of Rochelle	0.67901	0.68140	0.70545	0.74480	0.67390	0.71125	0.65046	0.64053	0.58893	0.64020
City of Rochelle Pension	0.15590	0.17895	0.17118	0.19750	0.33090	0.34241	0.36364	0.41253	0.41882	0.47122
<b>Total Direct City Rate</b>	<b>0.83491</b>	<b>0.86035</b>	<b>0.87663</b>	<b>0.94230</b>	<b>1.00480</b>	<b>1.05366</b>	<b>1.01410</b>	<b>1.05306</b>	<b>1.00775</b>	<b>1.11142</b>
<b>OVERLAPPING RATES</b>										
Ogle County	0.55352	0.55378	0.54556	0.55358	0.55690	0.56104	0.56200	0.56131	0.56148	0.58330
Ogle County Mental Health	0.05324	0.05303	0.05301	0.05321	0.05377	0.05561	0.05073	0.05298	0.05209	0.05215
Ogle County Extension	0.00989	0.00985	0.00982	0.00985	0.00929	0.00955	0.00941	0.00920	0.00878	0.00896
Ogle County Veterans Assistance	0.00445	0.00631	0.00628	0.00631	0.00498	0.00512	0.00504	0.00514	0.00492	0.00409
Ogle County Senior Services	0.01493	0.01507	0.01473	0.01478	0.01407	0.01447	0.01529	0.01421	0.01418	0.01550
Ogle County Pension	0.09661	0.09623	0.09588	0.09920	0.12282	0.12931	0.15287	0.14436	0.13716	0.12573
Rochelle High School 212	2.50209	2.49890	2.46049	2.53074	2.54466	2.49790	2.51481	2.52178	2.47856	2.44119
Rochelle High School 212 Pension	0.05335	0.04072	0.04900	0.05085	0.04555	0.04618	0.04541	0.04555	0.04513	0.04601
Rochelle Grade School 231	2.96004	3.00536	3.00860	3.01011	3.00422	3.05081	3.22491	3.21174	3.13806	3.19539
Rochelle Grade School 231 Pension	0.07090	0.04611	0.06052	0.06343	0.06671	0.07571	0.07223	0.07129	0.04655	0.05331
Kishwaukee College 523	0.56208	0.55874	0.57423	0.64306	0.72368	0.71134	0.69299	0.66779	0.66490	0.66566
Flagg Rochelle Library	0.16574	0.16934	0.16809	0.17032	0.17025	0.17934	0.17706	0.17386	0.17460	0.17916
Flagg Rochelle Library Pension	0.01050	0.01145	0.01131	0.00977	0.00993	0.01231	0.01212	0.00789	0.01153	0.01334
Flagg Rochelle Parks	0.69766	0.69445	0.54898	0.56849	0.59249	0.60141	0.59049	0.58425	0.58925	0.59180
Flagg Rochelle Park Pension	0.00906	0.02145	0.01620	0.01781	0.01691	0.02084	0.01230	0.00400	0.00039	0.00387
Flagg Road	0.29684	0.30609	0.31393	0.32745	0.33521	0.35007	0.35250	0.35260	0.35438	0.36180
Flagg Township	0.13975	0.14081	0.14863	0.15385	0.15735	0.16995	0.17566	0.17840	0.17859	0.17658
Flagg Township Pension	0.02204	0.01930	0.02016	0.02344	0.02415	0.02778	0.02604	0.02420	0.02145	0.01781

Data Source

Office of the County Clerk

CITY OF ROCHELLE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	Type of Business	2018			2009		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Exeter	Distribution Center	\$ 10,326,690	1	4.58%			
Nippon Sharyo	Manufacturing	9,266,405	2	4.11%			
Sara Lee Corporation	Distribution Center	9,063,424	3	4.02%	\$ 3,485,053	4	1.67%
Americold Logistics LLC	Distribution & Warehouse	7,678,000	4	3.41%			
ICON Pac Owner	Land Development	6,374,687	5	2.83%			
Total Logistic Control LLC	Cold Storage	5,502,195	6	2.44%	3,160,092	5	1.52%
Americold Real Estate LP	Distribution & Warehouse	5,373,128	7	2.38%			
Illinois River Energy LLC	Ethanol Plant	4,816,823	8	2.14%	5,426,185	2	2.60%
Rochelle Development LLC	Land Development	3,464,891	9	1.54%	3,802,378	3	1.82%
Seldal Properties LLC	Land Development	3,420,370	10	1.52%			
Americold Acquisition LLC	Distribution				5,912,056	1	2.83%
Art Real Estate Borrower LLC	Land Development				2,449,366	6	1.17%
Erie Foods	Distribution & Warehouse				1,904,678	7	0.91%
Rochelle Travel Plaza	Truck Stop				1,628,513	8	0.78%
Jacobson Rochelle LLC	Appraisal Service				1,446,548	9	0.69%
Rochelle Foods Inc.	Food Production				1,234,040	10	0.59%
<b>TOTAL</b>		<u>\$ 65,286,613</u>		<u>28.97%</u>	<u>\$ 30,448,909</u>		<u>14.58%</u>

Data Source

Office of the County Treasurer

**CITY OF ROCHELLE, ILLINOIS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Amount	Amount	Percentage of Levy
2009	\$ 1,741,490	\$ 1,673,492	96.10%	\$ -	\$ 1,673,492	96.10%
2010	1,736,927	1,675,106	96.44%	-	1,675,106	96.44%
2011	1,921,386	1,796,512	93.50%	-	1,796,512	93.50%
2012	2,017,884	1,919,824	95.14%	-	1,919,824	95.14%
2013	2,167,126	2,062,815	95.19%	-	2,062,815	95.19%
2014	2,227,858	2,189,648	98.28%	-	2,189,648	98.28%
2015	2,277,251	2,265,091	99.47%	-	2,265,091	99.47%
2016	2,372,996	2,361,297	99.51%	-	2,361,297	99.51%
2017	2,445,391	2,437,333	99.67%	-	2,437,333	99.67%
2018	2,504,018	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

Note: 2018 property taxes will not be received until the fiscal year 2019.

Data Source

Office of the Ogle County Treasurer

CITY OF ROCHELLE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Actual Taxable Value (1) of Property	Per Capita (2)	Debt Outstanding as a Percentage of Personal Income
	General Obligation Bonds	General Obligation TIF Bonds	General Obligation Debt Certificates	Installment Contract	Revenue Bonds	General Obligation Debt Certificates	General Obligation Bonds	IEPA Revolving Loans				
2010	\$ -	\$ -	\$ -	\$ -	\$ 17,380,000	\$ 4,835,000	\$ 750,000	\$ 2,206,107	\$ 25,171,107	12.07%	\$ 2,622.26	12.46%
2011	-	-	-	-	15,885,000	4,665,000	735,000	1,969,163	23,254,163	11.32%	2,439.33	11.59%
2012	-	2,940,000	-	-	14,330,000	4,490,000	705,000	1,738,116	24,203,116	11.04%	2,528.00	12.02%
2013	-	2,940,000	-	-	13,165,000	4,305,000	675,000	1,500,446	22,585,446	10.32%	2,359.04	10.28%
2014	-	2,895,000	-	-	11,950,000	4,115,000	645,000	1,255,964	20,860,964	9.26%	2,186.91	9.23%
2015	-	2,805,000	-	-	16,370,000	3,915,000	615,000	1,004,474	24,709,474	11.11%	2,603.46	10.99%
2016	-	2,690,000	1,830,000	-	15,755,000	3,705,000	585,000	3,811,656	28,376,656	12.07%	2,989.85	12.62%
2016*	-	2,617,493	1,861,891	-	16,169,536	3,485,000	585,000	3,608,792	28,257,892	11.80%	2,977.34	12.56%
2017	-	2,484,869	1,689,682	27,461	15,497,305	3,470,715	595,000	5,054,195	28,819,227	11.21%	3,146.55	14.29%
2018	4,628,005	2,347,244	1,517,437	22,793	14,810,075	3,157,468	550,000	6,394,567	33,427,589	14.84%	3,597.07	15.91%

Note: Details of the City's outstanding debt can be found in the notes to financial statements.

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

(1) Assessed value and actual value of taxable property

(2) See the schedule of Demographic and Economic Information for personal income and population data.

Data Source

City Records

**CITY OF ROCHELLE, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

December 31, 2018

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<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage Debt Applicable to the City</b>	<b>City's Share of Debt</b>
City of Rochelle	\$ 3,887,474	100.00%	\$ 3,887,474
Flagg-Rochelle Park District	800,000	74.34%	594,693
School District Number 161	35,000	27.60%	9,661
District 231	10,590,000	76.31%	8,081,261
District 212	11,930,000	56.40%	6,728,375
Kishwaukee Community College	47,261,583	10.16%	4,800,845
Subtotal	<u>70,616,583</u>		<u>20,214,835</u>
<b>TOTAL</b>	<u>\$ 74,504,057</u>		<u>\$ 24,102,309</u>

Note: Overlapping information presented as of October 17, 2017 (most recent available).

Data Source

Official Statement

**CITY OF ROCHELLE, ILLINOIS**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Less Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property*</b>	<b>Per Capita</b>
2010	\$ -	\$ 5,400,000	\$ -	\$ 5,400,000	2.59%	\$ 562.56
2011	2,940,000	5,195,000	-	8,135,000	3.96%	853.35
2012	2,940,000	4,980,000	-	7,920,000	3.61%	827.24
2013	2,895,000	4,760,000	-	7,655,000	3.50%	799.56
2014	2,895,000	4,760,000	-	7,655,000	3.40%	802.50
2015	2,805,000	4,530,000	-	7,335,000	3.30%	772.84
2016	4,520,000	4,290,000	-	8,810,000	3.75%	928.25
2016**	4,479,384	4,070,000	-	8,549,384	3.57%	900.79
2017	4,174,551	4,065,715	-	8,240,266	3.21%	899.69
2018	3,864,681	3,707,468	-	7,572,149	3.36%	814.82

\*See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 142 for property value data.

\*\*The City changed its fiscal year end to December 31, effective December 31, 2016.

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

Data Source

City Records

**CITY OF ROCHELLE, ILLINOIS**  
**SCHEDULE OF LEGAL DEBT MARGIN**

December 31, 2018

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<b>ASSESSED VALUATION - 2018 TAX YEAR</b>	<u><u>\$ 225,294,807</u></u>
Legal Debt Limit - 8.625% of Assessed Valuation	\$ 19,431,677
Amount of Debt Applicable to Debt Limit	<u>5,224,905</u>
<b>LEGAL DEBT MARGIN</b>	<u><u>\$ 14,206,772</u></u>

Data Source

City Records

**CITY OF ROCHELLE, ILLINOIS**

LEGAL DEBT MARGIN INFORMATION

Last Ten Levy Years

<b>Levy Year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Legal Debt Limit	\$ 17,718,309	\$ 18,903,766	\$ 18,869,036	\$ 19,428,190	\$ 19,428,190	\$ 19,183,599	\$ 20,274,809	\$ 20,650,127	\$ 22,172,391	\$ 19,431,677
Total Net Debt Applicable to Limit	5,400,000	5,195,000	4,980,000	4,760,000	4,760,000	4,530,000	6,120,000	5,931,891	5,755,397	5,224,905
<b>LEGAL DEBT MARGIN</b>	<b>\$ 12,318,309</b>	<b>\$ 13,708,766</b>	<b>\$ 13,889,036</b>	<b>\$ 14,668,190</b>	<b>\$ 14,668,190</b>	<b>\$ 14,653,599</b>	<b>\$ 14,154,809</b>	<b>\$ 14,718,236</b>	<b>\$ 16,416,994</b>	<b>\$ 14,206,772</b>
<b>TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT</b>	<b>30.48%</b>	<b>27.48%</b>	<b>26.39%</b>	<b>24.50%</b>	<b>24.50%</b>	<b>23.61%</b>	<b>30.19%</b>	<b>28.73%</b>	<b>25.96%</b>	<b>26.89%</b>

Data Source

City Records

**CITY OF ROCHELLE, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2010	9,566	\$ 201,249,508	\$ 21,038	35.0	2,654	18.5%
2011	9,599	201,943,762	21,038	35.0	2,540	16.7%
2012	9,533	200,555,254	21,038	35.0	2,529	15.0%
2013	9,574	201,417,812	21,038	36.0	2,480	12.9%
2014	9,574	219,694,578	22,947	36.0	2,415	7.3%
2015	9,539	226,045,683	23,697	36.6	2,027	5.4%
2016	9,491	224,908,227	23,697	36.5	2,531	6.3%
2016*	9,491	224,908,227	23,697	36.5	2,531	6.3%
2017	9,159	201,690,339	22,021	35.4	2,623	4.5%
2018	9,293	210,114,730	22,610	35.7	2,490	4.7%

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

Unemployment rate is the twelve month average.

Data Sources

City Records  
U.S. Census Bureau  
Office of the County Clerk  
IL Board of Education

**CITY OF ROCHELLE, ILLINOIS**

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

<b>Employer</b>	<b>2018</b>			<b>2009</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Total City Population</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>% of Total City Population</b>
Rochelle Foods	811	1	8.73%	800	1	8.12%
Tyson, Hillshire Brands	295	2	3.17%			
Rochelle Community Hospital	261	3	2.81%	265	3	2.69%
WalMart	260	4	2.80%			
Swift Transportation	250	5	2.69%			
Americold	232	6	2.50%			
Elementary School District #231	230	7	2.47%			
Tyson, Hillshire Brands	215	8	2.31%	215	2	2.18%
Silgan Containers	210	9	2.26%			
High School District #212	155	10	1.67%			
Eaton Corporation						
Silgan Containers				200	4	2.03%
Total Logistics Controls				125	5	1.27%
Erie Foods				110	6	1.12%
Cedar Siding and Lumber Inc				100	7	1.01%
First National Bank and Trust of Rochelle						
E&T Controls				60	9	0.61%
Master Graphics				60	10	0.61%
<b>TOTAL</b>	<b>2,919</b>		<b>31.41%</b>	<b>1,935</b>		<b>19.64%</b>

Data Source

Economic Development

**CITY OF ROCHELLE, ILLINOIS**  
**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2016*</b>	<b>2017</b>	<b>2018</b>
<b>GENERAL FUND</b>										
Mayor and City Council	7	7	7	7	7	7	7	7	7	7
City Manager	2	2	2	2	2	2	2	2	2	2
Municipal Building	1.5	1.5	1.5	1.5	1.5	1	1	1	1	1
City Clerk	2	2	2	2	2	1	2	2	2	2
Cemetery	1	1	1	1	1	1	1	1	1	0
Community Development	5	4	4	4	3	4	5	5	5	5
Economic Development	3	3	3	3	3	2	1	1	2	2
Engineering	2	2	2	2	2	2	2	2	2	2
Fire	13	13	13	12	13	13	13	13	13	13
Police	25	24	26	26	26	26	25	25	26	26
Street	9	10	10	10	10	10	10	10	10	10
<b>ENTERPRISE FUND</b>										
Airport	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	1.5	1.5
Utilities - Administration	2	2	2	1	1.5	0.5	0.5	0.5	1	1
Utilities - Technology Center	-	-	-	1	0.5	2	2	2	2	2
Utilities - Communications/ Network Administration	7	6	6	5	6	3	3	3	3	3
Utilities - Electric	30	31	31	31	31	28	28	28	28	25
Utilities - Water	4	4	4	4	4	5	5	5	5	5
Utilities - Water Reclamation	8	9	9	8	8	8	9	9	8	8
<b>INTERNAL FUND</b>										
Administrative Services	5	6	6	6	6	6	6	6	6	5

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

Data Source

City Budget File

**CITY OF ROCHELLE, ILLINOIS**

OPERATING INDICATORS

Last Ten Calendar Years

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>COMMUNITY DEVELOPMENT</b>				
New Construction Single Family Permits	11	-	-	-
Number of Permits Issued	483	454	467	364
Building and Engineering Inspections	1,449	1,362	1,401	1,092
<b>POLICE</b>				
DUI Arrests	61	79	55	55
Criminal Arrests	449	434	434	310
Accidents	332	314	333	374
Ordinance Enforcement	55	37	25	21
Total Tickets	1,332	1,376	1,373	1,244
Total Calls	10,925	10,990	**15,515	**22,371
<b>FIRE</b>				
Number of Fire Calls Answered	279	241	235	276
Number of EMS Calls Answered	1,476	1,554	1,649	1,741
<b>PUBLIC WORKS</b>				
Trees Planted	12	12	15	24
Trees Removed	25	27	32	47
Street Sweeping (Tons)	799	494	323	340
Street Sweeping (Hours)	1,200	1,200	1,200	1,200
Snow Removal (Hours)	1,755	739	1,217	1,929
Catch Basins/Inlets Cleaned	1,200	600	800	1,200
Sidewalk Replacement (Square Feet)	49,279	49,009	50,816	47,996
<b>WATER AND SEWER</b>				
Water MGD Pumped (Millions/Gallons)	N/A	N/A	N/A	N/A
Water MGD Billed (Millions/Gallons)	N/A	N/A	N/A	N/A
Sewer MGD Treated (Millions/Gallons)	N/A	N/A	N/A	N/A
Water Meter Installations (New)	9	11	7	17
Water Meter Exchanges	173	199	260	290
Hydrants Flushed	630	640	640	640
<b>ELECTRIC</b>				
Pole Replacements	N/A	N/A	N/A	44
Electric Meter Installations	N/A	N/A	N/A	532

N/A - Not Available

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

\*\*Increase to total calls are due to officer initiated business checks.

Data Source

City Records

2014	2015	2016	2016*	2017	2018
3	3	3	4	3	4
393	359	393	329	276	260
1,179	1,077	1,179	987	828	659
38	22	38	50	39	51
321	268	321	265	452	415
437	433	437	432	369	367
29	14	29	6	N/A	N/A
846	795	846	789	1,792	1,493
6,023	17,264	6,023	15,649	15,000	11,553
208	274	208	259	272	237
1,749	1,470	1,749	1,564	1,564	1,813
109	70	109	30	2	-
122	133	122	45	24	21
359	350	359	330	360	350
1,200	1,200	1,200	900	1,200	1,200
1,764	641	1,764	512	993	1,331
500	900	500	1,200	2,024	755
47,500	18,430	47,500	10,600	640	14,033
2.95	2.74	2.95	2.95	2.81	2.74
2.57	2.37	2.57	2.47	2.33	2.41
2.36	2.76	2.36	2.58	2.82	2.91
6	5	6	4	2	4
176	250	176	184	188	195
285	-	285	760	762	762
27	34	27	77	15	18
1,461	1,081	1,461	1,026	632	157

**CITY OF ROCHELLE, ILLINOIS**

**CAPITAL ASSETS STATISTICS BY FUNCTION**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>GENERAL GOVERNMENT</b>				
General Government Buildings	48	48	49	46
<b>PUBLIC SAFETY</b>				
Police				
Number of Squad Cars	15	15	14	14
Fire				
Number of Vehicles	10	11	12	12
<b>PUBLIC WORKS</b>				
Number of Vehicles and Equipment	25	25	23	23
Streets (Lane Miles)	160	160	160	160
Alleys (Miles)	7	7	7	7
Bridges and Structures	20	20	20	20
<b>WATER AND SEWER</b>				
Number of Vehicles and Equipment	14	14	14	14
Water Mains (Miles)	63	63	63	63
Water Towers	4	4	4	4
Wells and Wellhouses	4	4	4	4
Sanitary Sewers (Miles)	74	74	74	74
Lift Stations	9	9	11	11
Number of Manholes	294	294	294	294
Number of Fire Hydrants	707	707	707	707
<b>ELECTRIC</b>				
Number of Vehicles	16	16	18	19
Overhead Line (Miles)	150	150	150	150
Underground Line (Miles)	58	58	58	58
<b>COMMUNICATIONS</b>				
Fiber (Miles)	35	35	35	45

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

N/A - Information not available

Data Source

City Records

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2016*</b>	<b>2017</b>	<b>2018</b>
48	48	48	48	48	47
17	17	17	17	14	14
12	12	12	12	11	12
24	24	24	24	24	24
160	160	160	160	160	160
7	7	7	7	13	13
20	20	20	20	17	17
15	15	15	16	16	16
63	63	63	78	78	100
4	5	5	4	4	5
4	5	5	5	5	5
74	74	74	74	74	100
12	12	12	13	14	15
294	294	294	294	1,470	1,470
707	707	707	762	762	800
19	19	19	18	14	15
150	150	150	160	151	146
58	58	58	60	56	65
45	45	45	46	46	46

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